

IN THE MARINE CORPS

The following-named officers for appointment to the permanent grade of major general in the Marine Corps:

Alfred H. Noble
Graves B. Erskine

The following-named officers for appointment to the permanent grade of brigadier general in the Marine Corps:

Edward A. Craig
Thomas J. Cushman

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 21, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, in meditation and prayer we would ponder these great injunctions: Know thyself, control thyself, give thyself. Through the dawning of each day may their growth be determined in our lives, thus fulfilling our God-given best.

O Lord, the greatness of a nation depends not upon its resources but how it uses them; forbid that we should waste or foolishly dissipate them. Let our thoughts be centered in a passion for higher things; make us strong in Thy strength, wise in Thy wisdom, and loving in Thy love. Give us the spirit of courage to overcome our faults, casting out the beam from our own eye, and extending our horizons of brotherhood and understanding. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin asked and was granted permission to extend his remarks in the RECORD and include a table from the Department of Agriculture.

Mr. MACK asked and was granted permission to extend his remarks in the RECORD and include a radio speech made to the people of his district.

Mr. CROW asked and was granted permission to extend his remarks in the RECORD and include a statement by James F. O'Neal, national commander of the American Legion, made before the Foreign Relations Committee of the Senate.

Mr. SNYDER asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Martinsburg Journal on the subject They Are Not Broke.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a magazine article. I am advised by the Public Printer that the length of the article is in excess of the amount allowed under the rules to the extent of \$177. Notwithstanding, I ask unanimous consent that it may be printed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, 2 days ago I received permission to extend

my remarks in the RECORD. I am advised by the Public Printer that the remarks exceed the usual amount allowed to the extent of \$230.75. Notwithstanding the excess amount, I ask unanimous consent that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. AUCHINCLOSS]?

There was no objection.

Mr. MORTON asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of grain allocation for the beverage distilling industry.

Mr. BAKEWELL asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include an address by Mr. Straus, of the Reclamation Bureau, and in the other to include resolutions passed by the Nebraska Reclamation Association.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. TWYMAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Peoria Journal of January 4.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article entitled "Naval Air Service Has Record of No Passenger Fatalities During 1947."

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Bristol Courier entitled "The Tariff Issue."

THE CRIPPLED CAB AND CAA

Mr. BAKEWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BAKEWELL. Mr. Speaker, I noticed in the morning paper that there has been another air accident near Boston. Fortunately, no lives were lost, but this seems to be due to the courage and the pluck of the passengers and crew. While we have continuous air crashes in the United States of America, the Civil Aeronautics Board is without a chairman. The Chairman of the Civil Aeronautics Authority has offered his resignation.

At a press conference within the last 2 weeks, it was indicated that the appointing authority did not even realize that another vacancy existed on the CAB. And this morning's papers announce the resignation of still another member. Another member of the CAA has asked for a 4-year leave of absence.

The CAB is 2 years behind in its docket. Employee morale is at a very low ebb. Here we have two of the most responsible boards that are subject to the appointing power of the President in a state of inefficiency and disintegration. The President recently suggested the name of an Air Forces man to be head of the CAB, but that was not satisfactory because it was proposed that he be chairman of a civilian board but at the same time draw his Air Force pay as a general of the Air Forces. The CAB could have come under the control of the Army Air Force. How can one man serve two masters?

The situation is one which should receive prompt attention by the Congress, for the appointing authority is either unable or unwilling to designate competent personnel to insure the carrying out of the air safety program. The lives and safety of the air-traveling public should no longer be endangered by politics, indecision, or callous indifference.

RETIRED RAILROAD EMPLOYEES AND THEIR SURVIVORS ARE IN THE FORGOTTEN CLASS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, since the Eightieth Congress convened in January 1947, hours have been consumed with oratory designed to indoctrinate the American people with the plight of those in various parts of the world who have been victims of the war and, as a result, deprived of the necessities of life. In response, this Congress has already appropriated millions of dollars to aid unfortunate people in various countries, to say nothing of billions of dollars appropriated by previous Congresses.

While these acts of world-wide charity were being practiced at the direct expense of the American taxpayers, millions of our own citizens are in dire and desperate straits because of their inability to purchase the bare necessities of life on account of the present high cost of living. According to the Bureau of Labor Statistics, the increase in the cost of living reached an all-time high of 67.2 percent above the August 1939 level.

Mr. Speaker, in my congressional district there are thousands of retired employees under the Social Security and Railroad Retirement Acts. These groups are suffering greatly because of the meager benefits they are receiving. It should be remembered that these groups represent the stalwart citizens of yesterday, who, by their labor and the payment of taxes, played such an important role in building this great Nation.

In the President's recent message on the state of the Union, he endorsed the sentiment of many of us in Congress that the provisions of the Social Security Act should be liberalized.

It is common knowledge that veterans' benefits have been increased at two different intervals the past several years.

There is also legislation pending in Congress to liberalize the benefits to retired civil-service employees.

A group of retired employees and their survivors, who are under the provisions of the Railroad Retirement Act, have not received adequate increases in benefits. It is true that the Crosser amendments to the Railroad Retirement Act provided some improvement, but they do not give an adequate increase in the face of the present high cost of living. The cost of the Crosser amendments is borne by the employer and employee, whose dual contributions to the railroad-retirement fund were increased to meet the liberalization of the existing law.

According to the Railroad Retirement Board, for the fiscal year 1947 there were 240,026 persons on the retirement rolls, whose average monthly benefit was \$61.10. Widows 65 years and over on the retirement rolls received a monthly payment of \$28.34; widowed mothers \$25.27 monthly; children an average monthly payment of \$15.70 and dependent parents \$16.84 monthly.

Recipients of railroad-retirement benefits are in the same plight with retired employees under the Social Security Act, since it is evident that the average monthly benefit of \$61.10 to retired railroad employees is insufficient to meet the present cost of living.

With the largest railroad shops in the world located at Altoona, Pa., in my congressional district, naturally, I am deeply interested in the living conditions of the retired employees and their survivors. There is hardly a day in the week that I do not receive pathetic letters from retired employees or their survivors informing me of their dire circumstances.

In the hope of providing at least temporary relief, and without increasing the pay-roll tax on management and employees now working, I have introduced H. R. 5000 in Congress to increase present benefits under the Railroad Retirement Act by a flat 30 percent. This increase is to remain in effect as long as the cost of living exceeds the 1935-39 cost-of-living level of 100. As previously mentioned, the cost-of-living level is now 167.2 percent, which is 67.2 percent above the August 1939 level of 100.

It is estimated by the Railroad Retirement Board that the minimum cost per year will be approximately \$72,000,000. It is the intent of my bill that the necessary money to pay the cost of the proposed increase will be appropriated annually to the railroad-retirement account from the general funds of the Treasury of the United States.

The provisions of H. R. 5000 are as follows:

H. R. 5000

A bill to increase all benefits under the Railroad Retirement Act, as amended

Be it enacted, etc., That, effective July 1, 1948, each benefit payable with respect to any calendar month, or part thereof, under the provisions of the Railroad Retirement Act, as amended, shall be increased by 30 percent if the consumers' price index of the Bureau of Labor Statistics with respect to the preceding calendar month exceeded the 1935-39 base of 100.

Sec. 2. The Secretary of Labor shall certify to the Railroad Retirement Board on or before the 10th day of July 1948, and on or

before the 10th day of each calendar month thereafter, whether or not the consumers' price index of the Bureau of Labor Statistics for the preceding calendar month exceeded the 1935-39 base of 100. Such certifications shall be conclusive on the Railroad Retirement Board and for the purposes of judicial review under section 11 of the Railroad Retirement Act, as amended.

Sec. 3. If, pursuant to the provisions of sections 1 and 2 above, an increase in benefits with respect to any month is required, the Railroad Retirement Board, after computing the benefits with respect to that month in accordance with the provisions of the Railroad Retirement Act, as amended, shall add to each benefit amount so computed the required increase, and shall certify each benefit amount as so increased as the benefit with respect to that month under the Railroad Retirement Act, as amended.

Sec. 4. If the award made in any calendar month by the Railroad Retirement Board is a lump sum payable under section 5 (f) of the Railroad Retirement Act, as amended, and the certification from the Secretary of Labor, required under section 2 hereof, shows that the consumers' price index of the Bureau of Labor Statistics with respect to the preceding calendar month exceeded the 1935-39 base of 100, the Board shall add to the lump sum an amount equal to 30 percent thereof prior to certification.

Sec. 5. In addition to the amounts authorized to be appropriated to the railroad retirement account under the provisions of sections 15 (a) and 4 (n) of the Railroad Retirement Act, as amended, there is hereby authorized to be appropriated to the railroad retirement account from the general funds in the Treasury of the United States, not otherwise appropriated, for the fiscal year 1949, and for each fiscal year thereafter, an amount sufficient to cover the cost of the increases provided by this act.

YOUR BUSINESS AND MY BUSINESS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, it is my business when we pay the President of the United States \$75,000 a year. For the amount of work he does I question sometimes whether he is getting paid enough for what he is doing, and for the responsibility he has to assume. But it is not my business when the House of Commons of England grants Princess Elizabeth and Prince Philip a \$200,000 a year allowance just for being Princess and Prince; and it is not any of my business when they pay the King \$2,000,000 a year. But it is my business when this country furnishes the money to pay those salaries. It is my business when we furnish free the coal for the people of England when the people of England will not mine their own coal. It is my business when we furnish free the oil to keep those people warm when they do not try to get their own oil and our people run short of oil here at home. It is my business when we are now proposing to spend something like \$17,000,000,000 to take care of a lot of royalty over there who are getting many times what they are worth and we have to pay the bill. It is your business too. Let us look after our own business here at home. It was our business when you gave Britain \$4,400,000,000 2 years ago, and they have spent it to buy up their

coal mines, their railroads, their public utilities, creating a socialistic government. It was to put them in position to get on their feet. Now they want billions more and it is my business to see that they do not get it from my constituents or any part of it, especially for nothing. You cannot pay people not to be Communists. If they intend to be communistic, money will not stop them. The food we send there for nothing creates high prices for food here; the fuel, coal and oil create high prices for those things here at home and create a scarcity. I am not trying to run Britain's government. I want them to do that. It is my business to look after America and the American people and as long as I am in Congress I will do that. That is my business, that is your business. Let us attend to our business and take care of America. Take care of them now. Stop giving our resources away. Be wise. You must economize.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement of the Congress of Industrial Organizations on the 40-hour week.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper item.

Mr. TEAGUE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include a letter and a newspaper editorial.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

FAIR LABOR STANDARDS ACT

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a letter from the president of the Congress of Industrial Organizations.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, it is the conviction of the Congress of Industrial Organizations that any move toward nullifying or diluting essential sections of the Fair Labor Standards Act would not merely hamper our national effort to increase production but would serve to discredit our altruistic professions in respect to legislation implementing the Marshall plan. People abroad would interpret attacks on the wages-and-hours law as proof that our Government was more responsive to pressure for increased profits than to pleas for human needs.

None of the current production difficulties or underutilization of facilities has anything to do with the necessity for paying time-and-a-half rates after 40 hours. The basic shortages to be overcome in carrying through a foreign-aid program are in such products as steel, food, fertilizer, freight cars, and power. Basically, these bottlenecks are due to the failure of industry to foresee needs and to expand to meet them.

Mr. Speaker, the letter from the president of the Congress of Industrial Organizations follows:

HON. FRANK BUCHANAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BUCHANAN: I am writing you this letter to express the concern of the CIO in regard to the current attacks on the Fair Labor Standards Act. Testimony offered by employer groups makes it very evident that an effort is being made to eliminate the overtime provisions of the FLSA. We have prepared a brief memorandum, herewith enclosed, summarizing labor's conviction that this particular section of the act, and indeed the law as a whole, should be strengthened and not weakened.

In regard to the basic provisions of the Fair Labor Standards Act, please let me rest to our general position:

1. The minimum wage should be raised to at least 75 cents an hour.
2. There should be no weakening of present provisions for the payment of overtime after 40 hours a week at the rate of one and a half times the regular rate of pay.
3. Present child labor provisions should be improved.
4. Coverage should be extended to certain additional groups.

American labor performed miracles of production during the war while the overtime and other provisions of this act were in effect. Through cooperation between management and labor the United States can similarly produce abundantly to meet home needs and to aid other less fortunate nations. The law is sufficiently flexible to meet any contingency. Current record-breaking profits provide ample margin for the wage provisions.

The basic shortages to be overcome in carrying through a foreign-aid program are in such products as steel, food, fertilizer, freight cars, and power. None of the current production difficulties or underutilization of facilities has anything to do with the necessity for paying time-and-a-half rates after 40 hours. Basically, these bottlenecks are due to the failure of industry to foresee needs and to expand to meet them. In December 1947, there were 1,643,000 unemployed in this country and a manpower reserve of at least 4,000,000.

It is our conviction that any move toward nullifying or diluting essential sections of the Fair Labor Standards Act would not merely hamper our national effort to increase production, but would serve to discredit our altruistic professions in respect to legislation implementing the Marshall plan. People abroad would interpret attacks on the wage and hour law as proof that our Government was more responsive to pressure for increased profits than to the pleas for human needs.

Sincerely yours,

PHILIP MURRAY,
President.

DETROIT'S NATURAL GAS SHORTAGE

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include therein an excerpt from the record of the proceedings of the Common Council of the City of Detroit on Thursday, January 14, 1948, an editorial appearing in the Detroit News on January 16, 1948, and an article that appeared in the Detroit Times on January 16, 1948, written by James Inglis, city hall reporter—all of which pertain to the natural-gas shortage in the Detroit area—and to revise and extend my remarks in the Record at this point.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, it has been my honor and privilege to represent the Sixteenth Congressional District of Michigan since it was originated. The Sixteenth Congressional District of Michigan is comprised of two wards on the west side of the city of Detroit, the city of Dearborn, and a number of important communities known as the Detroit down-river area, which includes the heavily industrialized city of Wyandotte. This is the largest industrialized district in the entire world. It includes the gigantic Ford Motor Co.'s River Rouge plant and hundreds of other nationally known corporations.

During the wartime, the Detroit area was referred to as the Arsenal of Democracy. The very heart of the "arsenal" is in the Sixteenth Congressional District, and its importance in production in peacetime is equally as vital to the welfare and security of this Nation as it was in wartime. We hear from every side that if inflation is to be licked and our country is to continue to prosper, it must be done by production at the lowest possible cost and in the greatest volume.

Mr. Speaker, I submit that management and labor cannot produce materials necessary to satisfy the country's needs and prevent inflation and do their full share in maintaining the prosperity of the country if certain selfish interests are permitted to strangle the very fuel supply so essential to accomplish these ends. The entire Detroit area is confronted with a fictitious natural gas shortage brought about by the powerful and ruthless Michigan Consolidated Gas Co. This company has recently secured the approval of the Federal Power Commission to construct a new gas line from the Texas fields to Detroit. This new pipe line, if it is ever constructed, will cost approximately \$136,000,000, which will be principally paid for by the gas consumers of the Detroit area. These gas consumers are not, however, all nationally known corporations—83,000 families in the Detroit area heat their homes with gas—more thousands of families are asking for natural gas for heating purposes, and nearly a half million families in the Detroit area are using natural gas for domestic purposes.

It is the contention of the city of Detroit that the natural gas shortage is fictitious in its origin and has been deliberately created by the Michigan Consolidated Gas Co., the local gas distributor, as a means of deceiving the public into support of its scheme to bring in, through its holding company, the American Light & Traction Co., a separate and wholly owned natural gas pipe line which would serve to link together various gas subsidiary companies in Michigan and Wisconsin which, except for such pipe-line device, would be severed from the holding-company structure through enforcement of the Public Utility Holding Company Act.

It is also the contention of the city of Detroit that Michigan Consolidated Gas

Co., as a part of this scheme, is attempting to deprive the industries of the Detroit area and the public generally of the continued use of the existing natural gas supply brought to Detroit by the Panhandle Eastern Pipe Line Co., whose rates have been greatly reduced and are under effective Federal regulation, and which reduced rates also reflect a virtual equity held by the rate payers in the Panhandle Eastern system—an equity amounting to approximately \$30,000,000. In its place Michigan Consolidated would impose upon the public an absolute monopoly from the gas well to the burner tip and thereby deny competitive pipe-line rates, depriving the public of this benefit. Michigan Consolidated's proposed new pipe-line system will cost in the neighborhood of \$136,000,000. Its proposed rates are still unknown, but will undoubtedly be much higher than the present rate, perhaps as high as 35 cents as compared to present 18½ cents per thousand cubic feet. The Common Council of the City of Detroit is determined to prevent this monopolistic imposition of increased gas costs, and it is my own opinion that the intervention of Congress in support of the city of Detroit may become necessary. In the Sixteenth Congressional District, where the existing Panhandle Eastern system terminates, my constituents look with urgency to me for protection.

Mr. Speaker, in order that the Congress be apprised of the attitude of the common council, as well as the arbitrary position taken by Michigan Consolidated Gas Co. against the public interest, I submit at this point the information you have permitted me to place in the Record.

[Excerpt from the record of the proceedings of the Common Council of the City of Detroit on Thursday, January 15, 1948]

Chairman OAKMAN. How much gas did you take from Panhandle for the Detroit area in 1947?

Mr. MONTGOMERY. Mr. Fink will answer that; 1946 is probably the best year.

Mr. FINK. 1946? About 43,000,000,000.

President EDWARDS. My personal opinion of this matter is that neither of your companies is going to be, in the immediate future, in a position to supply the estimated needs which you have represented as the sales capacity of this area alone; that only by continuing to keep the source of supply that we have, getting an expansion on gas in this area, are you going to be able to meet it. And it beats me—

Mr. MONTGOMERY (interposing). That is all we want.

President EDWARDS. Yes; but you don't want that. You don't want to keep the source of supply you now have. You want to keep a portion of it.

Mr. MONTGOMERY. We want to keep the amount we took in 1945. Now, we built the new line—

Councilman SMITH (interposing). Is that the maximum you have ever taken from them?

Mr. MONTGOMERY. Up until the time of our hearing before the Federal Power Commission, when the case started.

Councilman SMITH. Forty-five.

Mr. MONTGOMERY. Yes; we planned our new line on that basis, that we could continue to take—or, I should put it the other way, that when it came to a question of whether Panhandle should be allowed to continue to

serve in this district, the Federal Power Commission asked us if we could continue to take all that Panhandle was giving us. Well, the last year up to that time was 32,000,000,000, so we said, "Yes, we will take all that we have been getting." We have laid all our plans on that.

Mr. MAGUIRE. Who asked you to do that?

Chairman OAKMAN. Now, it seems you are afraid of an oversupply or overabundance. Your company is on friendly terms with the Edison Co., are you not? I mean, you know the people, you know who they are. You are the biggest consumer of fuel in the city of Detroit. Isn't it possible if you were stuck with too much gas you might sell it to the Edison Co., you might sell the Edison Co. some fuel or power?

The city of Detroit buys enormous quantities of fuel. If you had this surplus of natural gas, the public lighting commission and the water board are all potential customers.

We know that the Ford Motor Car Co.—they told us they are wanting 27 billions alone. And in your own statement, you said there are 100,000 additional homes and 30 factories, and if you had the gas you would have 200 more factories screaming for it, and yet you are afraid here of a little 13,000,000,000 of gas.

Mr. FINK. Mr. Oakman, all of our financing, all of our SEC records, all of the evidence we presented there is based on this 32,000,000,000. As I mentioned earlier in my discussion here, to change that figure, as you are asking us to do, would put serious obstacles in the way of carrying out the financing as we are having it approved.

Councilman NOWICKI. Mr. Fink, it would improve your situation, wouldn't it?

Mr. FINK. No.

Councilman NOWICKI. Wouldn't it improve your situation?

Mr. FINK. No.

Chairman OAKMAN. He means he would probably have to go back and file for a new application with the SEC.

Councilman NOWICKI. It seems to me if your financing, your construction, your improvements, and your extensions were predicated on a minimum supply—or maximum supply from Panhandle of 32,000,000,000, and now because of an adjustment in the source of supply, in the market and other causes, you can build up your picture with an assured stand-by of 45,000,000,000, then it seems to me your condition is not being aggravated but being improved, that any additional facilities Michigan Consolidated might expand on its own would increase or improve the picture.

I have difficulty following your reasoning, where you seem to imply the position of Michigan Consolidated Gas Co. would be jeopardized if you moved over from your position to accept 32,000,000,000 and agreed to accept 45,000,000,000 from Panhandle, as offered this morning.

Councilman GARLICK. You are right from the standpoint of the distributing company, Michigan Consolidated Gas Co., but you are talking strictly about financing the Michigan pipe line.

Councilman NOWICKI. I am also thinking of Mr. Montgomery's very generous estimates of what this area can absorb. Certainly, if I understood him correctly, he is thinking in very optimistic terms, to say the least, as to what gas consumption in the future will be.

Councilman SMITH. As I see it, the limit of Panhandle Eastern's capacity is what they furnished in 1946 or 1945; that they can't furnish any more than that unless they construct new facilities. It seems to me it is useless to attempt to take into consideration what they are undertaking as far as future facilities, when the Michigan Consolidated Gas Co. is already prepared to do it.

Mr. MAGUIRE. No; that is not correct. We have the capacity to furnish that 125,000,000,

and we are doing it, and we have furnished more new facilities, and we have 45,000,000 more capacity than we had in 1945 or 1946.

President EDWARDS. Mr. Chairman, personally I have got to leave for a radio broadcast that has been set up for a long time. I would like to sum up where we are at the present stage of the game and see if there is any chance of getting any place else.

I would like to ask Mr. Fink once again whether his company will consider entering into a contract with the Panhandle Eastern Co., calling for the delivery of 45,000,000,000 cubic feet of gas per year, or more than that, in meeting the offer which Panhandle has made to furnish 45,000,000,000 and more than that as stated in the first portion of the meeting.

Chairman OAKMAN. I think if he agreed to do that, we would step out as an intervener.

Mr. FINK. Not at this time, Mr. Edwards. President EDWARDS. You are not willing even to consider that?

Mr. FINK. Not at this time. We are willing to sign—well, as a matter of fact, we signed this contract to take 32,000,000,000.

President EDWARDS. Let me ask one other thing, then—well, Mr. Chairman, the best we had from the other side of this table is that the Panhandle Co. would be willing to consider, they might offer a contract for as little as 45,000,000,000. Could we ask for a statement of their position at this time in relation to that? They offered 45,000,000,000.

Mr. MAGUIRE. Forty-six, I think it was; with a 90-percent load factor.

Mr. LEE. On the present rate schedule.

Mr. MAGUIRE. Whatever the rate schedule is at that time; yes.

President EDWARDS. You are willing to sign a 15-year contract therefor?

Mr. MAGUIRE. Yes.

Mr. MONTGOMERY. Not under the present rate schedule.

Mr. MAGUIRE. Wait a minute. Whatever the rate schedule is.

President EDWARDS. We understand.

Mr. MAGUIRE. You are getting 30 cents for your gas. Why don't you talk about what your rate schedule will be?

President EDWARDS. I think everybody understands the rate schedule is controlled by the Commission.

Mr. MAGUIRE. We will be glad to do that. We will be glad to sell that gas at what Michigan-Wisconsin Pipe Line Co. is going to charge for that gas, less the depreciated amount we have in our present system. We will be glad to do that.

Councilman NOWICKI. Less the depreciated amount?

Mr. MAGUIRE. Why, certainly; we would be tickled pink. We would be then getting something like 32 cents for the gas. Tickled pink. Because that is what you are going to pay for this.

President EDWARDS. Mr. Chairman, it is my personal opinion, and I want to state it before I leave this hearing, that unless Michigan-Wisconsin Pipe Line Co. and Michigan Consolidated were prepared to tell this council that they were willing to contract for the supply which is now available to them through the existing pipe line now serving Detroit, that they have little equity in asking this council to withdraw the city's intervention in the pending appeal, and I certainly wouldn't vote for doing so under these circumstances.

Chairman OAKMAN. Gentlemen, if there is any opportunity of your getting together between now and Saturday, I, for one, would be glad to come down here and meet Saturday morning, or—tomorrow the president and two of our other members will be in Washington.

President EDWARDS. I would like to have this statement of policy printed in the record, Mr. Chairman.

Chairman OAKMAN. Mr. Maguire, will we have a copy of the statement you read this morning?

Mr. MAGUIRE. Yes; you may have it.

Chairman OAKMAN. We would like that for our record.

Mr. MAGUIRE. Certainly.

President EDWARDS. I am sorry, I have to leave.

(President Edwards then left the council chambers.)

For clarification of the foregoing it should be stated that Messrs. Henry Montgomery and Henry Fink are, respectively, public-relations adviser and president of Michigan Consolidated Gas Co. Mr. W. G. Maguire is chairman of the board of the Panhandle Eastern Pipe Line Co. I have been informed that Mr. William G. Woolfolk, chairman of American Light & Traction Co., which controls Michigan Consolidated, was also invited to attend the Detroit Common Council proceedings, but, for obvious reasons, did not make his appearance.

[Editorial appearing in the Detroit News on January 16, 1948]

WHAT IS NEEDED IS MORE GAS

The common council made a good try at solving the gas-shortage problem, and it is not its fault that the companies vying for the privilege of bringing natural gas to Detroit from the Texas fields refused to agree.

Maybe it is nobody's fault. There is no question, however, that the Michigan Consolidated Gas Co., which has the franchise to distribute gas at retail in Detroit, has put itself in a regrettable position.

Consolidated refused at the council hearing a firm offer by Panhandle Eastern, its present supplier of natural gas, to furnish 27,500,000 additional cubic feet daily, beginning a year from now.

Consolidated had its own sound reasons for refusing. It plans to build its own pipe line from the Texas fields, claimed to be capable of completion by 1950.

It has obtained its go-ahead for the project from the Federal Power and Securities Commissions on the basis of buying no more of its requirements from Panhandle than it now is able to buy from that source.

Panhandle has its own additional pipe-line facilities under construction or at the planning stage. Its offer to supply Consolidated additional gas was made contingent on the signing of a 15-year contract.

If Consolidated signed, it would be pretty sure of having to delay indefinitely and possibly abandon its own pipe-line plans. In that case, Detroit, too, would lose an additional future source of natural-gas supply.

However, as stated, Consolidated is put in the position of refusing additional gas when gas is needed, and that is not, for a public utility, an enviable position.

The council tried to bring the two companies together on a basis that would give Detroit both sources of supply.

Detroit rate payers in effect have a \$30,000,000 equity in Panhandle's pipe line, which was planned to supply Detroit with an eventual 180,000,000 cubic feet of gas daily. If Consolidated does not take that amount, Detroit gas consumers will go on paying for a part of the expanded Panhandle facilities, while getting no use of them.

There is little doubt that Detroit will need both the Panhandle facilities and those planned by Consolidated. Apart from the home-heating demand, a generous supply of natural gas is vital to the city's industrial growth. By 1950, a market almost certainly will exist for all the gas both companies would be in a position to supply.

Having tried for a solution and failed, the council should not give up. The obstacles in

the way, however valid they may appear to the rival companies, are at odds with the common sense of the situation.

The council should continue its effort to assure Detroit, now and in the future, a capacity gas supply from both sources.

[Article that appeared in the Detroit Times on January 16, 1948, written by James Inglis, city hall reporter]

SEEK COURT BAN ON CONSTRUCTION—CITY PUSHES FIGHT ON SECOND PIPE LINE

Common council will continue to fight the construction of a second natural-gas pipe line to Detroit until there is an ironclad guaranty that the flow of gas through the present pipe line continues for at least 18 years.

Assistant Corporation Counsel James H. Lee will appear in Federal court in Washington Monday to support a lawsuit seeking to stop work on the Michigan-Wisconsin pipe line, now under construction from Kansas to Michigan.

FIVE-YEAR STALEMATE

Common council failed yesterday in an attempt to break the stalemated negotiations between the two big utility firms that have been fighting for more than 5 years over the Detroit gas market.

W. G. Maguire, chairman of the board of the Panhandle Eastern Pipeline Co., Detroit's present supplier, was summoned from New York City for a face-to-face showdown with Henry Fink, president of the Michigan Consolidated Gas Co.

After an angry exchange of conflicting views the session broke up in complete disagreement.

Council President George Edwards informed the two utility chieftains that they owed it to the people of Detroit to sign a new 15-year contract starting in 1951 which would guarantee that gas would continue to flow through the old pipe line to Detroit in at least its present volume.

In behalf of the local gas company, Fink offered to sign up for 32,000,000,000 cubic feet a year, the amount that Panhandle furnished Detroit in 1945.

CITY'S DEMAND

Edwards with the tacit support of the other members, insisted that the city would settle for nothing less than 45,000,000,000 cubic feet a year, approximately the amount of gas supplied by Panhandle in 1947.

Panhandle officials, including Edward Budrus, president, and Fred H. Robinson, attorney, offered to supply Detroit with any amount from 45,000,000,000 up to 60,000,000,000 cubic feet a year for the 15-year period after the present contract expires in 1951.

They contended that with the underground storage facilities in central Michigan this would be sufficient to take care of all of Detroit's future needs.

The Panhandle pipe line is being enlarged at present from a daily capacity of 125,000,000 cubic feet to 180,000,000 cubic feet, Panhandle officials said.

Maguire told the council his company wanted to use most of this new pipe line capacity to serve Detroit.

"We don't propose to be used merely as a stand-by facility for the new Michigan-Wisconsin pipe line," he added.

Lee, the city's authority on natural gas matters, provided the clinching argument which put the council in Panhandle's corner.

"We have Panhandle under regulation now," Lee declared.

"We fought a long, tough rate case from the Federal Power Commission clear through the Supreme Court to get the rate for gas at Detroit reduced to 18½ cents.

"It has meant millions of dollars in savings to Detroit gas users and will mean millions more in the years to come.

"Why should we throw all this away? We have no guaranty whatsoever what the price of gas would be from the new pipe line."

Maguire charged that the wholesale price of gas from the new pipe line would be 32 cents instead of the 18½-cent rate now in effect.

The new Michigan-Wisconsin pipe line which will be owned by Michigan Consolidated Gas Co., is actually being constructed at present. The 1,200-mile line from Kansas to Michigan by way of Wisconsin will cost \$105,000,000 and is scheduled for completion by the end of 1949.

The Federal Power Commission and the Securities and Exchange Commission have given their approval. The lawsuit in Washington is an appeal by Panhandle from the Federal Power Commission order authorizing the new line.

Up to this point the city government of Detroit, largely at the insistence of Lee and former Corporation Counsel William E. Dowling, has opposed the new line.

Yesterday's common council debate was the result of an effort by Michigan Consolidated to get the city government to change its position.

THE OIL SITUATION IN NEW ENGLAND

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I am very happy to be able to make a different kind of a report this morning not only to the New England delegation but to the membership of the House as a whole than those I have had to make in the last few days. Just before I left my office I received a letter from Mr. John R. Steelman with reference to the recommendation as to reconversions from oil to coal which had been made December 13, 1947, by a subcommittee of the New England delegation. I understand a similar letter has been sent to each member of the subcommittee.

The letter is as follows:

THE WHITE HOUSE,

Washington, January 19, 1948.

The Honorable JOHN W. HESELTON,
United States House of Representatives,
Washington, D. C.

MY DEAR MR. HESELTON: This is further in reference to my letter of December 19 regarding the investigations being undertaken in connection with possible conversion from oil to coal in Government buildings.

The Federal Works Agency, which is conducting this investigation, has sent me an interim report, and I attach copy hereto for your information. Their final report should be available to us shortly after January 22.

I have inquired of the Department of the Army regarding the two conversions from coal to oil reported by Mr. Drew Pearson, concerning which you inquired in your letter of January 13. I am advised that the conversion at Fort Myer, Va., was planned and contracted for, but has been stopped by the Department of the Army since the fuel-oil shortage became evident. Stewart Field, N. Y., is under the United States Military Academy, West Point, and information regarding activities at this field is not immediately available. However, on December 6 the Department of the Army issued a similar stop order on all such conversions, except on specific approval. They are inquiring as to the current status of this reported conversion, and I will write to you again as soon as I have full information.

Sincerely,

JOHN R. STEELMAN.

I also insert the letters of J. W. Follin, Assistant Administrator, Federal Works Agency, to Mr. Steelman, January 13, 1948 and January 16, 1948, and of Acting Secretary of the Navy to General Fleming, January 9, 1948:

FEDERAL WORKS AGENCY,

Washington, January 13, 1948.

HON. JOHN R. STEELMAN,

Assistant to the President,

The White House, Washington, D. C.

MY DEAR DR. STEELMAN: Reference is made to my letter of December 31 which reported to you the holding of a meeting in this office on the subject of possible conversion of oil-burning plants in the Government buildings to the use of coal, pursuant to your request of December 19.

In my letter I advised that we had requested an interim report by January 8 from the various Government agencies represented at the meeting advising of their accomplishments in surveying the various buildings under their supervision to determine the possibilities of making such conversions.

We have received responses from a number of the departments and agencies which convey the results of their studies to date and report their actions in circularizing their field offices to secure the desired information. These preliminary reports indicate that in locations where it is practicable to convert from oil to coal this work would require from 2 months upward. This would indicate that in hardly any case would it be possible to convert a plant in sufficient time to affect any appreciable saving this year. However, if, as forecast by Mr. Max Ball at our meeting, the present shortage should continue for a period of 5 years, it would appear that those conversions deemed advisable could be completed before the next heating season.

Our preliminary reports bear out also the points made in my letter that a great majority of Government buildings are already heated by coal; also, that the cost of making conversions from oil to the use of coal would be very considerable, and that in the case of such changes it would be necessary to consider the employment of firemen to operate the plants, which would entail still more expense.

Being provided at this time with incomplete returns, we will defer the making of any recommendations as to the general policy to be followed and will summarize all of the information and make such recommendations as appear reasonable after receipt of the remainder of the reports on January 22.

Sincerely yours,

J. W. FOLLIN,

Assistant Administrator.

FEDERAL WORKS AGENCY,

Washington, January 16, 1948.

HON. JOHN R. STEELMAN,

Assistant to the President,

The White House, Washington, D. C.

MY DEAR MR. STEELMAN: Reference is made to my letter of January 13 which advised you of the contents of interim reports received from the various Government agencies in connection with their survey of their building operations throughout the country to determine the practicability of converting buildings now heated with oil to the use of coal.

Since that date I have received a letter from the Office of the Secretary of the Navy which reports their ability to save substantial amounts of fuel oil without delay or cost since the plants involved are at present equipped to burn oil or coal without modification. I am sending you a copy of this letter since I believe it will be of interest to you and without waiting for a final report as of January 22.

After receiving all of the reports from the departments, we will submit the summary

of the data contained for your information along with any recommendations which may appear appropriate.

Sincerely,

J. W. FOLLIN,
Assistant Administrator.

JANUARY 9, 1948.

Gen. PHILIP B. FLEMING,
Administrator, Federal Works Agency.

MY DEAR GENERAL FLEMING: The Navy Department was represented at the conference held December 30, 1947, in the Federal Works Agency on the subject of converting from fuel oil to coal in Government buildings, both in Washington and in the field. All agencies represented at the conference were requested to conduct surveys and to submit reports to the Administrator of the Federal Works Agency of reductions in fuel-oil consumption possible within available appropriations.

The information required for the report desired is available in the Navy Department obviating the necessity of conducting a survey of field activities. The Navy Department has taken positive steps as a routine procedure to conserve all utilities including fuel oil, directly and indirectly. Reports received from the field indicate the fuel-conservation program is being administered effectively through special attention to temperature control and avoiding wasteful practices. It is believed this program has no effect on the present fuel-oil situation, since the conservation of all utilities is the continuing objective of the Department as a matter of economy without regard to availability of fuel.

A substantial reduction in the present rate of fuel-oil consumption can be made by the Navy Department at certain shore establishments presently equipped to burn either fuel oil or pulverized coal. The activities and the estimated quantities of coal and fuel oil involved in this category are listed below:

Field activity	Annual consumption, bunker C fuel oil	Equivalent consumption, bituminous coal
Norfolk naval shipyard, Portsmouth, Va.....	Barrels 500,000	Tons 135,000
Naval Station, Norfolk, Va.....	610,000	140,000
Naval Air Station, Quonset Point, R. I.....	210,000	48,000
Boston Naval Shipyard Annex, South Boston, Mass.....	10,000	2,300
	1,420,000	325,300

The change can be accomplished as soon as adequate coal supplies are provided, and should result in a substantial reduction in fuel-oil consumption during the current heating season.

Further reduction in the consumption of fuel oil in succeeding years would result if certain facilities presently equipped to burn only fuel oil were equipped to burn also pulverized coal or gas. Funds are not presently available for projects in this category.

Sincerely yours,

W. JOHN KENNEY,
Acting Secretary of the Navy.

Obviously, the most constructive and most encouraging development is the action of the Navy Department. You will note the estimated annual saving of bunker C fuel oil of 1,420,000 barrels. The conservation of more than 118,000 barrels of this type of oil monthly at these four installations will help. Too, the release of tanker space should be helpful.

I call your attention particularly to the sentence:

The change can be accomplished as soon as adequate coal supplies are provided and should result in a substantial reduction in

fuel-oil consumption during the current heating season.

This, following the Navy's attempt to help by saving from its stocks at Melville, R. I., is a shining example for other Government departments and agencies.

Next, in terms of encouragement, is the news in Mr. Steelman's letter that the plans and contracts for conversion to fuel oil at Fort Myer, Va., has been stopped by the Department of the Army, "since the fuel shortage became evident." While the date of the order is not clear, it is only indirectly a matter of concern. The important thing is that an unknown amount of fuel oil has been saved by this action. The further report on the current status of the conversion to oil planned for Stewart Field, N. Y., will be welcome. And it is good news that the Department of the Army issued a similar stop order on all such conversions, "except on specific approval." Of course, the question arises why the Army has taken only the limited step of stopping conversions to oil, with possible exceptions, when the Navy has been able to go so much further and convert existing oil heating installations to coal.

However, the action of both these Departments stand out in marked contrast to the many doubtful reasons given by other departments and agencies for their inability to help. Obviously, no buildings now being heated by coal are of importance. But it is certainly debatable as to whether the cost of converting from oil to coal or of employing a few firemen can be weighed against the shortage of fuel oil in parts of this country and be held by any reasonable person to be of any validity. The existing cost of trying to meet this emergency upon individual citizens and upon States, counties, and municipalities would far outrun the cost to the Federal Government for its efforts. The Navy is not bringing up that sort of specious objection. The Army is not. It will certainly be entrusted to the people who have been cold, are cold now, and may be cold throughout this winter to know all the facts. Is it beyond reason to ask the heads of those agencies and departments to reexamine the facts on both sides of this problem and try to take a little more interest in the individual citizen? Maybe they could even find a way to save a few dollars in their terrific budgets to absorb the costs they parade as excuses for not wanting to act.

Mr. Follin's doubt as to the feasibility of action because of the time element is answered by his own reference to Mr. Ball's forecast of a shortage for 5 years. May I point out that our telegram to the President was sent on December 13. This is January 21. Apparently, if prompt action had been taken some conversions could have been completed by the middle of next month. We have cold winters in parts of this country which do not end until April. If we have continued subnormal temperatures in New England until then we are not going to be very grateful to those agencies who could have helped us by converting by mid-February and thereby lent us a hand to get by until spring up our way.

But most important is the possibility of a 5-year shortage. You all recall Secretary Forrestal's testimony Monday on

this problem. I hope the reluctant dragons who head these agencies will read his testimony and that they will follow the example of the Navy and Army in filing their final reports tomorrow. It is not too late yet.

SPECIAL ORDER GRANTED

Mr. REES. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PERMISSION TO FILE REPORT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

REDUCING THE PUBLIC DEBT

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, every honest citizen of this country recognizes the necessity of paying his debts, even when it hurts. Every citizen knows it is much easier to pay his debts while his income is high. Some people find it hard to understand that it is just as necessary for a government to pay its debts as it is for an individual to do so, and that it is equally desirable that payments be made while income is high. Actually in the case of a government there is not only the pressure of honesty and of maintenance of credit but there is the not too widely understood fact that the existence of a large public debt tends to destroy the value of money and to increase the cost of living. The use of tax money to pay the public debt during periods of high income is one of the most effective deflationary devices.

Most Members of this House will agree that we should make substantial reductions in our public debt while incomes are high. Many Members recognize the inflationary effect of drastic tax cuts, but say that it is impossible to give any assurance that the debt will be reduced even if taxes are kept high. They feel that as a body we would succumb to the same temptation to spend that assails many individuals who have cash on hand. I fear that there is much justification for this attitude.

The President has estimated that we will have something in excess of \$7,000,000,000 surplus at the end of the next fiscal year should we retain our present tax income and appropriate in keeping with his suggested budget. I have, therefore, introduced a bill to appropriate the \$7,000,000,000 to the payment of the public debt.

If we will do this now at the beginning of the session, we can assure ourselves and the people that the debt will be reduced. Should we refuse, I fear we may succumb to the temptation to court po-

litical support through the promise of excessive tax reduction at the expense of debt retirement. If we are sincere about wanting to pay the debt, let us begin paying it.

EXTENSION OF REMARKS

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Huntsville Times entitled "Tax Reduction Not Everything."

AMENDING PHILIPPINE REHABILITATION ACT OF 1946

Mr. VORYS. Mr. Speaker, I call up the conference report on the bill (S. 1020) to amend the Philippine Rehabilitation Act of 1946, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1020) entitled "An act to amend the Philippine Rehabilitation Act of 1946, as amended", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"\$12,000,000"; and the House agree to the same.

JOHN M. VORYS,
WALTER H. JUDD,
JAMES G. FULTON,
JAS. P. RICHARDS,
MIKE MANSFIELD,

Managers on the Part of the House.

HUGH BUTLER,
SHERIDAN DOWNEY,
ERNEST W. MCFARLAND,
GEO. W. MALONE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1020) entitled "An Act to amend the Philippine Rehabilitation Act of 1946, as amended", submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment reduced the sum available to pay the expenses of the Philippine War Damage Commission from \$16,000,000 to \$8,400,000. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment increasing the amount to \$12,000,000, and that the House agree to the same. This increase is one of allocation only, and does not increase the total authorization of \$400,000,000 already provided by law for settling Philippine war damage claims.

JOHN M. VORYS,
WALTER H. JUDD,
JAMES G. FULTON,
JAS. P. RICHARDS,
MIKE MANSFIELD,

Managers on the Part of the House.

Mr. VORYS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CALL OF THE HOUSE

Mr. JENSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 2]

Barden	Gary	Morgan
Bland	Gavin	Morrison
Bloom	Granger	Nicholson
Boggs, La.	Harrison	Nixon
Buckley	Hart	Norton
Bulwinkle	Hartley	Passman
Byrne, N. Y.	Hébert	Pfeifer
Byrnes, Wis.	Heffernan	Philbin
Cannon	Hendricks	Potter
Chapman	Hinsaw	Powell
Chiperfield	Horan	Reed, Ill.
Clark	Jenkins, Pa.	Rivers
Clippinger	Jones, N. C.	Rooney
Coudert	Judd	Sasscer
Cox	Kee	Scoblick
Cravens	Kefauver	Scott, Hardie
Davis, Wis.	Kennedy	Shafer
Dawson, Ill.	Kilday	Short
Dirksen	Lemke	Stratton
Domeneaux	Ludlow	Thomas, N. J.
Dorn	McMillen, Ill.	Vail
Douglas	Marcantonio	West
Fellows	Mathews	Wigglesworth
Footo	Morrow	
Fulton	Miller, Calif.	

The SPEAKER. On this roll call, 357 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. LEWIS asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include a resolution and an editorial.

SPECIAL ORDER GRANTED

Mr. KLEIN. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING CERTAIN PROVISIONS OF THE RECLAMATION PROJECT ACT OF 1939

Mr. ROCKWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2873) to amend certain provisions of the Reclamation Project Act of 1939.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2873, with Mr. DONDERO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, January 20, the Clerk had read the first section of the committee amendment.

Are there any amendments to the first section of the bill?

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 6, strike out line 11 to the word "new" in line 25 and insert the word "A" before the word "new" in line 25.

Mr. JENSEN. Mr. Chairman, the purpose of my amendment I am sure is very clear to those who have read this section of the bill. Section 9 of the Reclamation Act of 1939, in the opinion of many who are closely associated with and have dealings with the Interior Department, gives the Secretary of the Interior more power than any man in Government should have. This section which I propose to strike out by my amendment gives the Secretary additional power, if not in specific wording in that section at least by inference.

Starting in line 23, here are some words I should like to read: "shall be deemed authorized and may be undertaken by the Secretary."

This means that any project would be authorized if the Secretary felt that it should be authorized and, by the simple fact that he says it is authorized, it has the effect of law, and circumvents the prerogatives of the Congress of the United States.

I call your attention to the fact that right now in the files of the Interior Department you can find several hundred projects which they hope to have authorized, amounting to some \$6,000,000,000.

If this section remains in the bill, I am thoroughly convinced that all the Secretary of the Interior would have to do would be to say, "I am in favor of those projects, and I recommend that they be authorized." Then the folks who are interested in these projects would feel that they were authorized because the word would go out that the Secretary's word was equal to an authorization, and then they would pour it on Congress to appropriate money to build those projects. I think that is too much power to give any man.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I am glad to yield to the gentleman.

Mr. FERNANDEZ. The provision to which the gentleman has referred, as is shown by the report on page 5, is word

for word the language now contained in existing law. Therefore, this bill does not give the Secretary any more power than he now has under existing law. The effect of the gentleman's amendment would be to restrict considerably the powers now given to the Secretary of the Interior.

Mr. JENSEN. If that were the case, then I certainly believe that this amendment is justified. If it would restrict the Secretary in the authority that he has under section 9 of the Reclamation Act of 1939, then I certainly believe that this amendment is justified.

Mr. MILLER of Nebraska. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Iowa is one of several that will be presented to the committee for their consideration. I would like to point out that the Subcommittee on Irrigation and Reclamation of the Committee on Public Lands has been considering this legislation for at least 3 years. I have been a member of the committee now going on 6 years. The committee has for at least 3 years carefully considered legislation which might clarify and set up a yardstick not only for reclamation projects, but for the development of electrical energy. The amendment offered by the gentleman from Iowa does in his opinion restrict the Department of the Interior. I think if you read the report on page 5, which is available to you, you will find that there are very few changes from the existing law. There are a few minor changes. But the thing that I would like to point out to the committee is that the bill as presented to you today represents the composite judgment, of all groups interested in reclamation development. It has had careful, complete study—the judgment of the committee presenting this bill to you ought to have careful consideration. This is a technical bill. It is difficult to understand. We have had to compromise in the committee and have had to compromise with the people out in the field. It does clarify, for instance, the Solicitor's opinion which was handed down in June 1944. The opinion was not pleasant to any of us. We did not like it. Yet the Department of the Interior had to follow the Solicitor's opinion until changed by Congress. It clarifies the Solicitor's opinion. The bill sets up new yardsticks for reclamation projects. Many of the present projects would not be feasible unless a new, more flexible yardstick be established.

In my opinion that should have considerable weight with the committee. The yardstick that is set up ought to be a little more flexible today than it was 20 years ago.

Money appropriated for irrigation is paid back, without interest, and money for electrical-power projects is paid back with interest. This brings new wealth to the United States. This bill affects the 17 Western States. There is a shortage of electricity in those States. Remember this money is paid back to the Treasury of the United States with interest.

The bill does spell out and settle some long-standing conflicts over the applica-

tion of the interest rates on power investment. This has been needed, and I think the gentleman from Iowa, who is a member of the Committee on Appropriations, has been disturbed from time to time as to how the interest rates are being applied to these power projects.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I prefer not to yield at this point.

Mr. JENSEN. I just wanted to say that I am in perfect harmony with that section of the bill that recaptures the interest component.

Mr. MILLER of Nebraska. I am glad the gentleman is in harmony with that part of the bill.

There is another section of the bill that sets up a longer period—78 years, or the life of the project. That sounds like a long time, but it is not a serious thing. I would also point out to you who are objecting to this type of legislation that the last section of the bill sets up a provision that does not alter or amend or modify in any way the provisions of the act of December 22, 1944, which was the O'Mahoney-Millikin Act, which this Congress adopted. The committee should be supported and this bill adopted.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. MILLER] has expired.

Mr. McDONOUGH. Mr. Chairman, I rise in support of the amendment. I want to read the section of the bill that this amendment will strike out, so that those who have any doubts about the authority that the Secretary of the Interior now has under the present Reclamation Act may understand what this amendment would do to correct that. The section that this amendment strikes out begins on line 11, page 6, and reads as follows:

If the proposed construction is found by the Secretary to have engineering feasibility and if the repayable and returnable allocations to irrigation, power, and municipal water supply or other miscellaneous purposes found by the Secretary to be proper pursuant to subdivisions (3), (4), (5), and (6) hereof, together with any allocation to flood control or navigation made under subsection (b) of this section, and together with any allocation made pursuant to subdivision (7) hereof, which shall be nonreimbursable and nonreturnable, equal the total estimated cost of construction as determined by the Secretary, then the new project, new division of a project, or supplemental works on a project, covered by his findings, shall be deemed authorized and may be undertaken by the Secretary.

Evidently that is a repetition of what is now in the 1939 Reclamation Act as far as authority is concerned. This amendment amends that out and gives to the Congress the power to determine whether these projects shall be feasible and shall be initiated.

In my opinion, the original act should be amended. The authority was too extensive and if we are attempting to reduce bureaucratic authority in the Government of the United States, here is an opportunity to do it. I do not want to appear in any way to be opposed to the extension of reclamation or to the extension of hydroelectric power, or to the development of the national re-

sources of the Nation. I certainly do not want to usurp the authority that Congress is supposed to have and turn it over to the head of a Department who may very justifiably and very conscientiously, and in many instances do a good job, but nevertheless the people of the United States would like for us to do that job and not give it to the head of any department.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. FERNANDEZ. This would enlarge the scope of the bill. Does not the gentleman believe that if that were to be done it should be submitted to the committee and the committee consider it, and the gentleman should appear before the committee asking to broaden the scope of this bill? I do not think that should be done on the floor on such brief consideration as we can give it on the floor.

Mr. McDONOUGH. I do not agree with the gentleman from New Mexico on that theory for the reason that certainly the Members of Congress can understand if the language is as plain as it is in this section and the amendment proposes to remove that section of the bill, the Members can understand that our authority is being taken out of our hands and has been out of our hands for a long time, since the 1939 Reclamation Act, and given to the Secretary of the Interior.

The people send us here. They want and expect us to decide whether or not projects are feasible or not feasible and whether they should be undertaken.

I do not quarrel with that section of the bill which leaves authority with the Secretary as to the 3-percent interest allocation for new projects under the Solicitor General's opinion; I agree with that. It has been reduced to one-half of 1 percent and to a 2½-percent interest rate. That is fine; but I certainly do not think we should leave the authority that the Secretary of the Interior has under the Reclamation Act in this bill. Here is an opportunity in the House to reduce that authority and bring it back to the Congress of the United States.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. MILLER of Connecticut. I am not an expert on reclamation and irrigation projects, but it seems to me there is quite a similarity between reclamation works and the river and harbors works and flood-control projects. They have to come to Congress for authorization for flood-control projects and river and harbor projects. Why should not reclamation projects be handled in the same way?

Mr. McDONOUGH. By all means they should be. We should follow normal procedure that is followed in these other categories and let committees of Congress and the Congress itself decide the feasibility of projects.

Mr. MILLER of Connecticut. We have the Board of Army Engineers in whom we have great confidence and certain funds are turned over to them each year for river and harbor projects.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BARRETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to this amendment. The gentleman from California [Mr. McDONOUGH] made the statement that this provision of law has been in effect since 1939. I believe he is mistaken, as I am informed this provision has been an existing law for 22 years. I see no reason why it should be repealed at this time. The Congress has several checks on the discretionary power that is lodged with the Secretary of the Interior. The Secretary has exercised that discretion very well for the last 22 years. The gentleman from Iowa [Mr. JENSEN] can finally determine if the power has been exercised correctly. He is the one man in this Congress who has more power and authority than the Secretary of the Interior himself, because after the Secretary of the Interior makes an exhaustive study and determines that the project comes within the formula as set forth by the Congress then he must come to the Appropriations Committee and report that the project is sound and feasible and that it will pay out under the provisions of law as outlined by the Congress itself, and therefore request the money to build the project. Then is when the Appropriations Committee of this House may interrogate the Secretary of the Interior and it can turn down the project if it so determines.

What is the effect of the amendment? The amendment changes the whole procedure that Congress has adopted and approved since 1926, and says that the Secretary of the Interior and the Representatives from the West must get authorization from the Congress for every project that is proposed. That will be such a cumbersome undertaking that it will make it difficult if not impossible to authorize these projects.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from Iowa.

Mr. JENSEN. This amendment takes nothing away from the weight and effect of the present law, specifically referring to section 9 of the Reclamation Act. It leaves that intact but simply provides and assures us that no additional authorization and power will be given to the Secretary of the Interior to authorize more projects.

Mr. BARRETT. I am very much afraid that the gentleman is entirely mistaken because existing law provides for all of the elements that are outlined on page 6, from line 11 to the bottom of the page. That is in existing law at the present time and you are repealing it.

Mr. JENSEN. Even if it does take some power away from the Secretary of the Interior it is right and proper that that be done and the gentleman should not worry about that for a minute.

Mr. BARRETT. That is where we differ. The gentleman says in the first instance it takes away no power. I say it takes the entire power away from him. I say that the Congress of the United States for the last 22 years has adopted a different policy and it has followed

it with approval. The Appropriations Committee has appropriated for these projects year after year; it has worked successfully, and I can see no good reason why we should change it at this time.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from California.

Mr. ELLIOTT. If we had this same kind of amendment in effect to take power away from the Secretary of the Interior, we could have taken care of the gentleman's Jackson Hole Monument. Does he remember that?

Mr. BARRETT. The Jackson Hole Monument was an outrageous abuse of the discretion delegated to the Executive, and the Congress so determined when it repealed the order creating the monument.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from California.

Mr. McDONOUGH. Would the gentleman agree that if this power is granted to the Secretary of the Interior the same power should be granted, we will say, to the Secretary of National Defense in the Cabinet, if he thinks it proper, to determine the feasibility of putting any particular project he wanted in the United States into effect without coming to the Congress? Does the gentleman think that would be proper?

Mr. BARRETT. The Congress of the United States since the early days has taken the position it cannot carry on all the clerical work of the Government. The Constitution of the United States says that the Congress alone shall coin money, for instance, but of course the Congress doesn't actually print the bills. It leaves that work to others.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. HARNESS of Indiana. Mr. Chairman, I offer a substitute for the pending amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. HARNESS of Indiana to the amendment offered by Mr. JENSEN: On page 4, line 15, to page 7, line 15, delete all and substitute "Section 9 (a) of the Reclamation Act of 1939 is hereby repealed."

The CHAIRMAN. I will say to the gentleman from Indiana that is not a substitute for the Jensen amendment. The Jensen amendment applied only to the section at the bottom of page 6 of the bill.

Mr. HARNESS of Indiana. It is the same section that I am striking out by my amendment.

Mr. CASE of South Dakota. Mr. Chairman, I make a point of order against the substitute amendment.

The CHAIRMAN. The gentleman may offer his amendment after the Jensen amendment is disposed of.

Mr. HARNESS of Indiana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARNESS of Indiana. Mr. Chairman, the Jensen amendment proposes to strike out, beginning on page 6, line 11, all

of that section down to line 25 and add the word "a." My amendment strikes out that same section and also provides for the repeal of the same section which is in the 1939 act.

The CHAIRMAN. The Chair must hold that the amendment is not germane to the Jensen amendment. The gentleman's amendment can be offered after the Jensen amendment is disposed of.

Mr. HARNESS of Indiana. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARNESS of Indiana. May I offer this as an amendment to the Jensen amendment?

The CHAIRMAN. That is the same thing in other language.

Mr. HARNESS of Indiana. I proposed it as a substitute.

The CHAIRMAN. I will say to the gentleman that he will have an opportunity to offer his amendment after the Jensen amendment is disposed of.

Mr. CARROLL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think the gentleman from Indiana has placed his finger on what is really happening before this body. He wants to repeal all of section 9-A. Now, the point that the gentleman from Wyoming [Mr. BARRETT] makes is that this law has been in effect 22 years. The repeal of that law is not the real issue before this Committee. We are talking about other things, but in order to draft this legislation we have incorporated in this bill a part of an act that has been in existence for 22 years. The gentleman from Iowa [Mr. JENSEN] now comes before this body and moves to strike out a section of the law that has been in existence for 22 years, and the gentleman from New Mexico [Mr. FERNANDEZ] says, "Give the committee a chance to pass upon that."

I say to the Members here that that is not the real issue; that is not the real reason that this bill comes from the Public Lands Committee, and if the gentleman from Iowa [Mr. JENSEN], or any other Member of this body, wants to bring this issue up in a separate piece of legislation, then it ought to come before our committee, and we ought to have an opportunity to examine and to call witnesses in, and then we can debate that issue as to whether or not we are going to modify the existing reclamation law.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. This section that the gentleman from Iowa proposes to strike is substantially the same wording as section 9-A of the 1939 act, is it not?

Mr. CARROLL. That is right.

Mr. JENSEN. Now, the 1939 act is the one that gives the Secretary the power and the authority to enlarge existing authorized programs or modify them, and it gives him the right to institute new ones. It is a complete departure from every other procedure we

have in our system of government, such as the War Department on flood control, where we authorize the engineers to make a report as to its feasibility, and then authorize the project.

Mr. CARROLL. I think the gentleman from Indiana will find, as expressed by the gentleman from Wyoming [Mr. BARRETT] that this has been the existing practice for approximately 22 years. This is a delegation in a sense, to the Secretary of the Interior, to examine the economic feasibility of various projects and then to make a determination and authorization which, as the gentleman from Wyoming said, has been the practice for 22 years, without any great burden on the Congress, without any great burden on the Committee on Appropriations. Now, actually Congress retains the purse strings. Congress retains the controls, because Congress must appropriate the money.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield further?

Mr. CARROLL. Yes.

Mr. HARNESS of Indiana. Does the gentleman agree with the policy where an agent of the executive department may agree upon a certain project, deem it to be feasible and, in a measure, start upon that project before the Congress has ever authorized it?

Mr. CARROLL. It is entirely dependent, in my judgment, when you talk about economic feasibility, upon whether or not that project can pay its way out. If it can pay its way out—and the Secretary must be considering all the time what the Committee on Appropriations will do, too—then he makes that authorization. If it does not pay its way out he cannot make the authorization, and you have a double check when it comes before the Congress.

Mr. HARNESS of Indiana. I would like to say this, that I am one of the friends of reclamation and irrigation. I am heartily in accord with the program, but I am unalterably opposed to delegating the power of Congress to a bureau chief or to the Secretary of the Interior, who may obligate the Congress before he has been authorized to do so.

Mr. CARROLL. Will the gentleman agree with me that if we are going to debate the issue, we ought to do it when it is germane? We ought to have a piece of legislation before a committee. Then we can call in witnesses and explore that particular issue. You may have an important point, but it is not the chief issue under consideration in this bill.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I think it should be perfectly well understood by the House that even if the Secretary made a finding of feasibility he could not obligate any funds. All he could do would be to present estimates to Congress. There would be no funds available until appropriations had been made.

Mr. CARROLL. Exactly.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. WELCH. Mr. Chairman, will the gentleman yield briefly?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. WELCH. Mr. Chairman, when members of the Committee on Public Lands take the floor in behalf of this bill, which was reported unanimously by the committee, they should not be interrupted to the degree that nearly their whole 5 minutes is occupied by the opponents of the bill.

The CHAIRMAN. The Chair may say to the gentleman that that is entirely in the control of the gentleman who has the floor.

Mr. CASE of South Dakota. Mr. Chairman, if I may have the attention of the chairman of the Committee on Public Lands, yesterday I asked a question but unfortunately there was not time to get the answer. The question I asked yesterday I should like to ask again now for the purpose of the record. I address it to the chairman of the committee reporting the bill. Does the phrase "estimated cost of construction," which is in subparagraph 2 at the top of page 5, contemplate and mean that the estimated costs of the proposed construction will include the liquidation of damages resulting from the construction and the relocations, alterations, and replacements incident to or required by the proposed construction?

Mr. WELCH. Mr. Chairman, the Committee on Public Lands met this morning. The gentleman from South Dakota [Mr. CASE] appeared before the committee. The committee is of the unanimous opinion that it is the intent of the language used that the Secretary shall include all of the costs in making his report on the proposed construction.

Mr. CASE of South Dakota. I thank the chairman for that statement.

With respect to the issue which has been under debate under this pending amendment, the point I raise is of course important to that because it bears upon what the estimated cost would be.

Now, then, with respect to the issue here. The record should be clear that if the Secretary makes a finding of feasibility, he cannot then go out and obligate funds on the basis of that. All he gets authority to do is to submit estimates to the Congress. Not until appropriations have been made can he obligate funds. So the decision rests in the hands of Congress as to whether or not you want to take up any project even though a finding of feasibility has been made.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Does not the gentleman know that under that authority the Secretary may go so far with the project that the Congress then is obligated to make the authorization and the appropriation?

Mr. CASE of South Dakota. No; I do not know that at all, because he does not have a dollar to spend on it.

Mr. HARNESS of Indiana. In other words, it is taken out of the hands of the Congress.

Mr. CASE of South Dakota. No; it is not taken out of the hands of the Con-

gress. The Congress is going to sit there and determine whether it wants to appropriate any money.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Iowa.

Mr. JENSEN. I wish the gentleman would explain why there is so much noise about my amendment and why this section was placed in the bill, since the very first wording of the bill is that section 9 (a) of the Reclamation Project Act of 1939 is amended to read as follows, and that language is almost identical with section 9 (a) of the Reclamation Act of 1939. My amendment does not disturb it.

Mr. CASE of South Dakota. There are two reasons, as far as I know. I am not a member of the Committee on Public Lands, which really should answer the gentleman's question, but as I understand it, and as I have heard this debate, the first reason is that the Committee on Public Lands finds it has a lot to do, and it wants to have advice based on the engineering investigations. So it says, we ask the Secretary of the Interior through the appropriate engineers and technicians he has, to make an investigation and find out whether or not this is a feasible project. The committee is not composed entirely of engineers, so it proposes that the Secretary determine whether or not a project has engineering and economic feasibility and what the proposed costs are, and if he finds that it is feasible, then he is our agent to the extent of making a finding. He can submit estimates to the Congress and if Congress wants to make appropriations, they may do so.

The second reason, I understand, is that the present law is not explicit enough in items covered in subparagraph 7 which refers to fish and wildlife costs and other things of that sort. The committee merely felt that the present law should be extended and clarified in a particular or two to be sure that those things would be included in the report.

I yield to the gentleman from Wyoming [Mr. BARRETT] a member of the committee.

Mr. BARRETT. The gentleman from South Dakota is eminently correct. Will he not agree with me, in addition, that in this and other programs the Secretary of the Interior after he determines that the project is feasible, it must be submitted to the Bureau of the Budget, and it must concur in the findings. In addition to that, it must be submitted to the governors of the States in which the projects are located and they must, in a measure, concur, and, after all, the Committee on Appropriations of the Congress and the Congress itself must concur.

Mr. MURDOCK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, during the debate yesterday the gentleman from southern California [Mr. POULSON] expressed some opposition to the bill and indicated that one of his lines of opposition was fear that the passage of the bill as is would permit the Secretary of the Interior to make a finding of feasibility for the central Arizona project, which is a large

project, and about which there is some controversy. I had no time at the moment on the floor to answer, but I extended my remarks in the RECORD in partial answer, and they will be found on page 366 of yesterday's RECORD.

However, I would like to settle this matter by showing that such fear is unfounded. I talked privately with the gentleman from California [Mr. Poulson] and see that he is present and listening. Wanting to clarify this matter, I phoned the Commissioner of Reclamation and asked that very question: If this bill now before the House should become law, would it make possible a finding of feasibility on the central Arizona project, which was the one that the gentleman from California [Mr. Poulson] particularly mentioned? That phone call was yesterday, that is, last night. I received my reply just a few moments ago and want to read a part of it.

Mr. WELCH. Mr. Chairman, I hope the members of the committee will give strict attention to the communication which the gentleman from Arizona is now about to read.

Mr. MURDOCK. I thank my chairman. I do think this answer is very pertinent because two Members admitted or indicated that they feared the passage of this bill would have certain effects which I feel sure it would not have.

Commissioner Straus said:

In our telephone conversation of yesterday afternoon, you asked me whether the central Arizona project could or would be authorized by the Secretary's finding of feasibility under H. R. 2873, assuming that this bill is enacted or under any other legislation. Your question is prompted by the fear—

He used the wrong word there so far as I am concerned, because I have no fear of such. Continuing quotation:

Your question is prompted by the fear which seems to be entertained by some Members of Congress that the enactment of H. R. 2873 would be used to accomplish authorization of the central Arizona project without an opportunity for the Congress to pass on it. My answer to your question is "No."

Then he gives an elaborate explanation why the answer is "No." I will not take time to read all of it now. The full letter is as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., January 21, 1948.
Hon. JOHN R. MURDOCK,
House of Representatives.

MY DEAR MR. MURDOCK: In our telephone conversation yesterday afternoon, you asked me whether the central Arizona project could or would be authorized by a secretarial finding of feasibility under H. R. 2873, assuming that that bill is enacted, or under any other legislation. Your question was prompted by the fear which seems to be entertained by some Members of Congress that enactment of H. R. 2873 would be used to accomplish authorization of the central Arizona project without an opportunity for the Congress to pass on it.

My answer to your question is "No."

Without prejudice to consideration of the central Arizona project on its merits, my answer to your question is predicated upon the following:

1. Any finding of feasibility by the Secretary, whether under H. R. 2873 or existing law, would require a finding that there is

an adequate water supply for the project. All of us in the Bureau of Reclamation are keenly aware of the controversy between California and Arizona over the availability to Arizona of this supply of water and of the difficult and delicate questions involved in the controversy. The Bureau of Reclamation is not in a position to make the final and authoritative determination of these questions that must be made before the central Arizona diversion can be considered to be on safe grounds. If for no other reason than this, therefore, there will be no attempt to secure authorization by secretarial finding of feasibility.

2. The proposal to authorize construction of the central Arizona project is already before the Congress, and the Bureau's report on it is being prepared pursuant to a request from the chairman of the Subcommittee on Reclamation and Irrigation of the Senate Public Lands Committee. The Bureau's forthcoming report is not intended as a vehicle for secretarial authorization and would not serve that purpose if it were so intended.

3. Even if some future Commissioner of Reclamation had a different notion from that which I have and could convince the then Secretary of the Interior that he ought to find the project feasible, a report containing that finding would have, under the provisions of section 1 of the Flood Control Act of 1944, to be sent to all of the States of the Colorado River Basin—that is, to Wyoming, Colorado, Utah, New Mexico, Nevada, California, and Arizona—for review and comment and an objection by any of the States to any of the plans or proposals contained in the report would automatically require the Secretary to secure congressional authorization before undertaking construction of the project or before asking for appropriations for such construction. In other words, California, like every other State of the Colorado River Basin, has the power to veto any proposal for secretarial authorization of a reclamation project on the Colorado River, no matter how good or poor it may be, and to require that its authorization be by act of Congress. H. R. 2873 does not change this provision of the Flood Control Act of 1944 one whit.

To all this, I may add for the sake of the record that neither you nor any other member of the Arizona delegation has ever requested that authorization of the central Arizona project be accomplished by a secretarial finding of feasibility. None of you has ever so much as hinted that this might be done if H. R. 2873 were enacted. I assure you that authorization of the central Arizona project will not be accomplished in this fashion and that I do not and have never had any intention of recommending to the Secretary that it be so accomplished.

I hope that this explanation will prove helpful in any discussion that may arise concerning the effect of enactment of H. R. 2873 on the central Arizona project. Please feel free to use it as you see fit and call on me for any further information that I can give you.

Sincerely yours,

MICHAEL W. STRAUS,
Commissioner.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. JENSEN. I would like to have you explain what the letter means. I have not yet been able to figure out what that letter means. It means nothing to me.

Mr. MURDOCK. This is it. The charge was made yesterday that very likely, if this bill passed as is, the Secretary of the Interior could make a finding of feasibility for the central Arizona

project, thus authorizing its construction without the Congress taking any action. Now, this answer is that, under the bill as is, should it become law, the Secretary of the Interior could make no such finding or authorize the project without the action of Congress. That seems to some Members the very crux of this matter and I want to show it to be erroneous. Why does the Secretary of the Interior not have the power? Commissioner Straus says it is because we passed legislation in 1944 that makes it necessary to submit all such proposals to the States involved and interested. In this case all the States in the Colorado Basin are involved. So that the Secretary of the Interior must submit any projects in the Colorado River Basin to the governors of the 7 States, and any governor would have a chance to veto it. The President or the Secretary of the Interior, under existing law, could not possibly submit a finding of feasibility and authorize such project without submitting it to the Congress.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. POULSON. If I obtain additional time for you, will you read this letter, which will explain some of the problems?

Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. Poulson]?

There was no objection.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. JENSEN. Does the gentleman know that the Colorado River Board is opposed to most every section of this bill except the interest component pay-back? Does the gentleman know that?

Mr. MURDOCK. Do you mean the Colorado River Board of California is opposed to the bill?

Mr. JENSEN. The Colorado River Board that speaks for all the Colorado River area, for most of the people.

Mr. MURDOCK. No. I fear the gentleman is misinformed.

Mr. JENSEN. I certainly am not. I can produce a telegram to that effect, if the gentleman would like to read it.

Mr. MURDOCK. You are probably referring to the Colorado River Board of the State of California. I know their stand on it, but that Colorado River Board of California does not speak for all the seven basin States of the Colorado River Basin.

Mr. JENSEN. It speaks for the State of Colorado very plainly.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I cannot yield until I have read a little more from the letter.

Mr. ROCKWELL. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. ROCKWELL. I wanted to correct the statement made by the gentleman from Iowa [Mr. Jensen]. It is not the State of Colorado but the State of California to which he referred. The State of Colorado is very definitely in favor of this bill.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. PETERSON. I want to point out that the distinguished chairman of the subcommittee and the distinguished gentleman from Colorado on this side are both supporting this bill.

Mr. MURDOCK. I will ask that the entire letter be placed in the RECORD, but I will just read a portion of it now.

On page 1:

The proposal to authorize construction of the central Arizona project is already before the Congress, and the Bureau's report on it is being prepared, pursuant to a request from the chairman of the Subcommittee on Reclamation and Irrigation of the Senate Public Lands Committee. The Bureau's forthcoming report is not intended as a vehicle for secretarial authorization, and would not serve that purpose if it were so intended.

3. Even if some future Commissioner of Reclamation had a different notion from that which I have and could convince the then Secretary of the Interior that he ought to find the project feasible, a report containing that finding would have, under the provisions of section 1 of the Flood Control Act of 1944, to be sent to all of the States of the Colorado River basin—that is, to Wyoming, Colorado, Utah, New Mexico, Nevada, California, and Arizona—for review and comment, and an objection by any of the States to any of the plans or proposals contained in the report would automatically require the Secretary to secure congressional authorization before undertaking construction of the project or before asking for appropriations for such construction.

In other words, California, like every other State of the Colorado River Basin, has the power to veto any proposal for secretarial authorization of a reclamation project on the Colorado River, no matter how good or poor it may be, and to require that its authorization be by act of Congress. H. R. 2873 does not change this provision of the Flood Control Act of 1944 one whit.

Now, I want in fairness to myself and the Arizona delegation to read one further paragraph:

To all this I may add for the sake of the record that neither you nor any other member of the Arizona delegation has ever requested that authorization of the central Arizona project be accomplished by a secretarial finding of feasibility. None of you has ever so much as hinted that this might be done if H. R. 2873 were enacted. I assure you that authorization of the central Arizona project will not be accomplished in this fashion and I do not and have never had any intention of recommending to the Secretary that it be so accomplished.

Mr. HARLESS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. HARLESS of Arizona. Is it not true that under the law as it now exists the Department of Irrigation and Reclamation uses the power vested in it to carry out repairs and minor projects? And would it not be true that if we repealed this section of the law it would not be possible to go ahead and make any repairs without getting authorization? The Department could not put in a bolt or drive a nail without getting authorization from Congress.

Mr. MURDOCK. I should like to elaborate on that for it certainly would hamper the Bureau's work, but I want in the short time I have remaining to plead with my friends from California, includ-

ing the gentleman from California [Mr. POULSON] and the others who have indicated their fear of this Arizona project coming under this bill—which it will not—I want to plead with them to remove their objection to the bill on that basis because that basis is not valid. I hope my friends will do that and support the bill without amendment. Of course, I am interested in the central Arizona project and also in this general reclamation bill, but I do not regard this measure as necessary to make the other possible. They are different matters.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. ROCKWELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should like to get back to the meat of this argument that we have here on this amendment. There seems to be a misapprehension as to the power that the Secretary of the Interior has over reclamation projects. In the first place, for those of you who do not come from the West, may I say that we are talking about projects that are to be entirely repaid, either power or irrigation, and in the case of irrigation the money is paid back without interest. In the case of power the money is repaid with interest. Congress adopted the formula for this repayment in the Reclamation Act of 1939 and it was in the act before that to some extent. In addition to that, if a project cannot be paid out in full under that program it must take the same procedure as flood control and come to Congress for authorization.

It is very difficult to get authorization under the formula that this amendment would take out of the bill. First, it must satisfy and be approved by the State where the project is to be built, and if the water affects several States it must also have the approval of the other States using the water. The gentleman from Arizona [Mr. MURDOCK] mentioned that in a letter which he read. A matter that affects the water of Arizona must be approved by all of the upper division and the lower division States because they use that water. In the course of investigation and study the Bureau must keep in constant touch with local groups, the Board of Army Engineers, and any others who might be affected in any way.

After a report is completed the Bureau must submit it to the governors of all the affected States on that stream. Ninety days is allowed to review that report.

If the Bureau does not approve the report or if the States do not approve it, it must be so reported to Congress with objections. In Colorado the State conservation board receives these investigation reports and handles these matters for the Governor. They in turn take it up with the local water users and local committees before making a reply.

New projects generally cannot be built unless they have the help of power or a longer time to repay.

In my opinion, this is a great protection and saves the Congress a lot of work. I might say you might just as well ask Congress to approve every loan

made by every agency of the Government.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield to the gentleman from California.

Mr. McDONOUGH. Will the gentleman explain what the duties or privileges of the Secretary of the Interior are under the 3-percent component, according to the Solicitor General's opinion, insofar as initiating new projects without authorization of the Congress? Is he not privileged to use some of that money to initiate a new project without the authorization of the Congress and would he not be given additional authority under this amendment to do likewise with the one-half percent given him?

Mr. ROCKWELL. I do not think it is additional authority. In my opinion, it is a little less authority than under the present situation, according to the Solicitor's opinion. The 3 percent to which the gentleman refers, which is charged, may be used to help amortize and pay out the project. Under this bill 2 percent of that is paid in interest and one-half percent may be used for that purpose. That may be figured in as help to irrigators to pay off a project.

Mr. McDONOUGH. Right, but this section of the bill we are debating says he has authority to proceed then on a new project, a new division of a project or the supplemental works on a project covered by his findings. It does not refer to repairs and alterations and correction of a job. It says it has authority to proceed on a new project.

Mr. ROCKWELL. I think that is the same law that has been in existence since 1939 under which we have been working out West all these years.

Mr. McDONOUGH. It does not limit the amount of the cost of the new project, so that he could authorize, we will say, a project costing \$50,000,000 without the authorization of the Congress, then go to the Appropriations Committee and say, "Well, the people out there need this, we have found it feasible, and we have to have the money."

Mr. ROCKWELL. It will have to show it can be paid out.

Mr. D'EWARD. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes. The gentleman is chairman of the subcommittee in charge of this bill, also author of the bill. A large number of Members wish to ask him questions and the gentleman is doing a good job.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield to the gentleman from California.

Mr. PHILLIPS of California. I have two questions. Will the gentleman tell us exactly how much additional power, in the gentleman's opinion, is given to the Secretary of the Interior or the Commissioner of Reclamation in this bill as compared to what he would have under the Jensen amendment? Does the gentleman see what I have in mind? The second question: Is it not a fact that in

the letter read by the gentleman from Arizona [Mr. MURDOCK] the Commissioner referred only to his authorization of construction. He has never authorized construction without money, but he has authorized a project to be brought down for future construction.

There is a very different point involved which I do not think is covered in the Commissioner's letter. Will the gentleman from Colorado please discuss those two points?

Mr. ROCKWELL. Here is my understanding in reference to the additional power, if the gentleman wants to call it that. I do not call it power. I would call it discretion. The Secretary in his discretion would have the authority in figuring out the ultimate cost of a project, if it is feasible and will pay out in full, to add certain other nonreimbursable costs, such as silt control, general salinity, and recreation features. Under the present law, those are not considered as part of the feasibility of a project. As I understand, the only difference in this present rewriting and the other bill is that those reimbursable parts will be added. I think I am correct in that, am I not?

Mr. JENSEN. I am not so sure.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield to the gentleman from Iowa.

Mr. LECOMPTE. May I ask the gentleman this? We have under consideration the amendment of our good friend and colleague the gentleman from Iowa [Mr. JENSEN], a friend of reclamation. Is it not a fact that what he is trying to do with his amendment—and I think it will do it—is trying to restore to Congress the power to make authorizations rather than for that power to be vested in the Secretary of the Interior.

Mr. ROCKWELL. I think that is correct.

Mr. LECOMPTE. Should it not be vested in Congress rather than in the Secretary of the Interior?

Mr. ROCKWELL. The point I make is that that has been the law for many years.

Mr. LECOMPTE. Well, that does not justify it alone.

Mr. ROCKWELL. It has worked out successfully. I believe you might compare it to a loan. Congress does not approve every loan that the RFC makes. We authorize them to make these loans under certain reservations. Now, the loans that are made under this act are to be repaid in full. They are not a gift, like flood control, but they are to be repaid.

Mr. LECOMPTE. But the Secretary of the Interior can inaugurate the authorization.

Mr. ROCKWELL. In other words, if you follow me, before he can even authorize a project, he must first have the approval of all the other agencies, and of the States, and of the little communities where the project is to be built; and if anybody objects, that has to be put in the record.

Mr. LECOMPTE. He can come to the Committee on Appropriations and ask for money that has never been author-

ized by the Congress for these projects; is that not right?

Mr. ROCKWELL. Well, no more so than he can under the present bill. He can do it now under that formula.

Mr. LECOMPTE. That is what the gentleman from Iowa is trying to take out.

Mr. ROCKWELL. I agree with the gentleman that that is what the gentleman from Iowa [Mr. JENSEN] is trying to do; and the reason we do not favor it out there, or one of the reasons, is that we would have every little project come before our committee, with engineers, and so forth, to decide whether or not they are correct. Even now that has all got to be approved by the Committee on Appropriations.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The point that I think should be made clear is this: This does not go so far as you do with the Reconstruction Finance Corporation. There you give them money and let them make loans. They can go ahead and put this money out. Here you are not giving anybody authority to put out any money. You are merely giving authority to make a finding of economic feasibility. Congress still controls every dollar. There is not a dollar that the Secretary of the Interior can put out or spend until it has been appropriated.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. JACKSON of Washington. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JENSEN. Mr. Chairman, will the gentleman yield further?

Mr. ROCKWELL. I yield.

Mr. JENSEN. I am sure the gentleman who is now addressing the House knows that the Bureau of Reclamation employs thousands of engineers and assistant engineers and great staffs to look into all of these projects. Just how much they do that is worth the chips that the taxpayers are handing out to them, I am not sure; I am satisfied we have got too many of them on the pay roll. Now, the gentleman also knows that the salaries of a number of those come out of the taxpayers of the United States which is never reimbursable on your reconstruction work and your planning, and so on. You also know that a lot of their salaries are chargeable to these projects that are going to be constructed or that are under construction. Of course, if my amendment is not adopted, the Interior Department will say, "Why, you gave us orders to go into all these projects and determine their feasibility. It is going to take another 1,000 or 2,000 or 3,000 or 5,000 engineers, assistant engineers, metallurgists, geologists, and what have you." How can the gentleman or anyone else think we are ever going to reduce the administrative costs of this Government

if we do not start now and cut out such practices?

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield to the gentleman from Wyoming.

Mr. BARRETT. I want to make this observation: The gentleman from Iowa [Mr. LECOMPTE] and all of his colleagues from Iowa stood on the floor of this House and urged rather persuasively that this House authorize the Rural Electrification Administration to go to the Reconstruction Finance Corporation and borrow approximately \$225,000,000 to build thousands of different projects all over the country, and, of course, I was wholly in favor of the legislation; but this House and the Committee on Appropriations do not pass on those particular projects one after the other. Why should you apply a different rule to the Bureau of Reclamation? That is what I want to know.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield to the gentleman from California.

Mr. WELCH. This bill has been before the Committee on Public Lands and its subcommittee, presided over by the distinguished gentleman from Colorado [Mr. ROCKWELL], roughly 2 years. The gentleman from Iowa [Mr. JENSEN] and the gentleman from California [Mr. McDONOUGH] knew that this language was written into the bill months before the bill was reported to the House. They did not ask at any time to appear before the committee, which they could have done and been welcome, and they could have made known their objections to the language written in the bill. However, they waited until this late date to come here to confuse the minds of the Members of the House who are not familiar with some of the technical aspects of the matter.

Mr. JENSEN. Mr. Chairman, will the gentleman yield, since my name has been mentioned?

Mr. ROCKWELL. I yield.

Mr. JENSEN. I want the gentleman to know that I did appear before his committee over a year ago and gave my idea as to what should be in this bill and what should not be in the bill, and the gentleman knows it.

Mr. WELCH. The gentleman interposed no objection to what was known as the Rockwell bill, reported unanimously by the Committee on Public Lands to this House.

Mr. JENSEN. How did I know you were going to report the bill, at that time?

Mr. WELCH. Congress was in session.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. Mr. Chairman, I should like to ask the chairman of the subcommittee, the author of the bill, a question in connection with the next section, as long as he is explaining this particular section.

As I read section 2 of H. R. 2873, and in particular lines 12 to 25 of page 8,

I see possibilities that the administration of this act can be such as to raise Federal power rates in the Pacific Northwest. Let me briefly explain. This section provides for 50-year power contracts and 78-year repayment period, with no reference how the power component cost is to be calculated. Now if the power pay-out is deferred to, say, the difference between 50 and 78 years, and staggered or placed at the end of the period, compound interest on the unpaid power cost component can amount to such a value as to require rate elevation. Since, as I read it, multiple legal construction is possible, I want to inquire if the legislative intent is to elevate rates in the Pacific Northwest.

Mr. ROCKWELL. Absolutely not.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. POULSON. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of Washington. That is not the legislative intent?

Mr. ROCKWELL. That is not the intent. I am not a lawyer and I am not an engineer, but the testimony before our committee would indicate that this does not in any way affect the present rates or anything that is already under construction, and it is felt that it would be probably as cheap or certainly no higher than the present rates.

Mr. JACKSON of Washington. They would not be increased?

Mr. ROCKWELL. No.

Mr. JACKSON of Washington. I am concerned about that particular section. I am certain the committee had no such intention. With the chairman's explanation, I am sure the legislative intent, then, is not to elevate or in any wise authorize the elevation of rates as it affects the Pacific Northwest.

Mr. ROCKWELL. That is my understanding.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. ROCKWELL. I yield.

Mr. POULSON. According to the letter of Mr. Straus and according to the discussion we had in our committee today, was it not brought out that if any State or any section protests, then the matter has to come before the Congress for an authorization? So that in turn would give any section a chance to protest and automatically bring it before the Congress?

Mr. ROCKWELL. That is my understanding. I am not too familiar with the legalistics of this bill because I am not a lawyer. But my understanding is that any objection made by any State or any municipality would be handled in that way. In a case like this, I understand that every State on the Colorado River is affected, and therefore the report would come in from the Governor of every State, and if any of them opposed it that report would have to come to the Congress with the objection. Then Congress acts upon it and does as it sees fit.

Mr. Chairman, I yield back the balance of my time.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we seem to be arriving at a delightful state of confusion in regard to the bill. I would like to see if I can add still further to that confusion. I trust the gentleman from Indiana will not press his proposed amendment, as high regard as I have for him, because I think that it confuses the present issue, which is consideration of the amendment offered by the gentleman from Iowa [Mr. JENSEN].

I asked the chairman of the subcommittee a question regarding the letter written to the gentleman from Arizona. The letter written to the gentleman from Arizona does say that the Commissioner will not authorize construction. I think one of the issues is as to the authority of the Commission to investigate and to spend money for investigation. When the chairman of the Committee on Public Lands said to the gentleman from Iowa that he should have come before the committee and presented what is now being talked about on the floor, the gentleman from Iowa actually had, had he cared to use it, the perfect answer, and that is that this provision was not in the Rockwell bill when it was under consideration by the committee in the form in which it now appears. The bill as we have it is what the committee calls the compromise bill which was accepted, as a member of the committee has said, within the final 24 or 48 hours before the committee voted. A great many people did not have a chance to consider it in detail.

The intent of some Members, as expressed on this floor, seems to be to allow all these authorizations to go through, many of them good and reasonable, with no objection to the authority in the hands of the Commissioner, until they reach the Committee on Appropriations and then to say to the Committee on Appropriations, "You are our only line of defense. No matter what approval has been given it and no matter what authority has been given, you must be the one to find out if this is really sound." It seems to me as a member of the Committee on Appropriations, and as one who is tremendously interested in reclamation, since my district is dependent on irrigated water, it seems that that is putting a severe burden upon the Committee on Appropriations. My position as a member who is interested in reclamation, and a former member of the Committee on Irrigation and Reclamation, is that I shall vote for the amendment offered by the gentleman from Iowa [Mr. JENSEN], but that I would not vote for the amendment offered by the gentleman from Indiana, if he were to offer it.

Mr. Chairman, I now yield to the distinguished gentleman from Arizona [Mr. MURDOCK], who has been so patient.

Mr. MURDOCK. This is the question I had in mind: Are you satisfied with the Commissioner's answer in the letter which I read in part, that the passage of this bill would not permit the authori-

zation of such a project as the central Arizona water project?

Mr. PHILLIPS of California. I am satisfied with it. I think it is good that it should be included as a matter of record as the Reclamation Commissioner's opinion. I am not satisfied that the Commissioner is saying that he would not spend money on proposed projects before he came to the Congress for authorization for construction. I think that should be covered in the letter.

Mr. MURDOCK. I think the gentleman's fears are somewhat unfounded as applied to the lower Colorado Basin. No project needs money appropriated in the Colorado River Basin, because annually by existing law we take \$500,000 out of the power revenues from Hoover Dam, the Boulder Canyon project, to make such investigations, and the Secretary has that fund on which to draw.

Mr. PHILLIPS of California. I thank the gentleman. This is entirely a matter of principle with me. I am not opposed to the Commissioner nor the Department. I think we should curb the powers of agencies of government and bring the powers back to Congress.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. CASE of South Dakota. As a matter of principle, will the gentleman advocate that each rural electrification project be required to come before a committee of Congress for investigation and study before you authorize it?

Mr. PHILLIPS of California. I would have to study the question before answering it. I am inclined to think the answer would be "Yes," if large and involved projects are to be allowed.

The CHAIRMAN. The time of the gentleman from California [Mr. PHILLIPS] has expired.

Mr. HARNES of Indiana. Mr. Chairman, I move to strike out the last two words.

Mr. ROCKWELL. Mr. Chairman, will the gentleman yield that I may propose a unanimous-consent request that all debate on this amendment close in 10 minutes?

Mr. HARNES of Indiana. I decline to yield for that purpose at the moment, Mr. Chairman.

Mr. Chairman, this bill comes before the House after a compromise was reached. I doubt if it is satisfactory to any member of the committee that reported it. As a matter of fact, it came here from the Rules Committee by the skin of its teeth.

There are three things that are bad about this bill. One is the very thing the gentleman from Iowa [Mr. JENSEN] is trying to correct, and I shall support his amendment. I am afraid, however, that it does not do what he wants to accomplish. If you will examine the report, you will find that the language which this amendment would strike out, is substantially that part of section 9 (a) of the 1939 act. It is that act from which the power and authority of the Secretary stems, and I feel that the entire section in the 1939 act should be repealed. It has been stated here today that this

practice is similar to that exercised by RFC, and my good friend from South Dakota says the Rural Electrification is authorized to do the same thing. But that is not the fact. Congress authorized the RFC to make sound business loans. The projects in Rural Electrification are not in fact projects of the Federal Government. The Rural Electrification Administration is a separate entity and that may and does borrow money from RFC on a sound business basis. Here you have a situation that is a complete departure from every other principle of government, in which the Congress is not asked to authorize a project until after the project has been established. In other words, we are delegating to the Secretary of the Interior the power to place the Congress under obligation to authorize and appropriate after he has decided on a specific project.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. No; I decline to yield for the moment.

Mr. CASE of South Dakota. The gentleman referred to my statement. Certainly he wants to be corrected there.

Mr. HARNESS of Indiana. I will give you an opportunity to correct it, if you will allow me to continue for a moment.

I do not think it is sound for Congress to place this extraordinary power in the hands of an appointive official of the executive department. This extraordinary power authorizes the Secretary of the Interior to modify, to extend, to enlarge, or to establish new projects that have never been authorized by Congress.

What do we do in flood control? Before the Army engineers may investigate the feasibility of a project there must be an authorization directing them to make the survey. They report back to the committee. If the committee then determines that it is good for the country, that it is feasible, then the Congress authorizes it and the money is made available. But here we designate an individual in the executive department to act for the Congress and obligate us so that we must eventually appropriate the money to carry out the project, and that is neither good government nor good law.

I urge you to support the amendment of the gentleman from Iowa, but I would prefer another amendment that would definitely correct the situation. I would strike out that part of this section proposed by the pending amendment and also section 9 (a) of the 1939 act which is the origin of this authority. I am a friend of irrigation and reclamation. I spent a number of years in the West. I know how desperately they need these projects. I know that water to them is vital to their economic existence. This method of establishing projects, however, is a disservice to the friends of reclamation and irrigation and the people of the West may find appropriation committees denying funds that otherwise might be granted if authorized by law. I think we should recapture that power and keep it in Congress where it belongs.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I believe the gentleman is somewhat in error in comparing the REA with this situation. This is the situation, as I understand it, that Congress appropriates money to the Rural Electrification Administration or in some instances says it can borrow money from the RFC; in any event, the REA gets money and makes individual allocations without any review by Congress.

This authorization is not an authorization—

Mr. HARNESS of Indiana. All right, now—

Mr. CASE of South Dakota. Let me finish the comparison—is not an authorization for the Secretary to spend one dollar. It really creates an authorization so that a project would not be subject to a point of order when and if Congress ever comes to appropriate.

Mr. HARNESS of Indiana. I have not the time to yield further.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HARNESS of Indiana. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARNESS of Indiana. The gentleman from South Dakota knows very well that the set-up in REA is entirely different from this; that is a separate entity. The REA goes to a bank, the RFC, that we set up, and borrows money and obligates itself for repayment, and that situation is entirely different from the one we are talking about here.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I cannot resist yielding to my dear friend from California after I have made just one other statement.

My Committee on Publicity and Propaganda has been investigating the Bureau of Reclamation for some time; and reports of our investigators show that today in the city of Denver there are 1,000 engineers on the pay roll of the Bureau of Reclamation—who may go out at the instance of the Secretary and make surveys without any authority of the Congress other than the authority of section 9a of the Reclamation Act of 1939. We know, too, that Mr. Straus and Mr. Krug have called the field men into Washington and directed that they must see to it that all funds must be expended before the end of the fiscal year, in order that more money may be justified.

Mr. Chairman, if we are to truly represent the people who have entrusted us with our seats in Congress, we must recapture this delegated power and assume our obligation of exercising it solely in the people's interest.

I now yield to the chairman of the committee.

Mr. WELCH. Mr. Chairman, the distinguished gentleman from Indiana stated in his opening remarks that this bill was reported to the House with indifference by the Committee on Public

Lands. He also stated it got by the Committee on Rules by the skin of its teeth. The gentleman is a member of the Committee on Rules and he has the right to speak for his committee, but the gentleman has no right to speak for the Committee on Public Lands.

This bill originally was reported to the House unanimously. The committee met again this morning, Mr. Chairman, and the members reaffirmed their faith in this bill and ask to have it passed by the House without crippling amendments such as the amendment under consideration.

Mr. HARNESS of Indiana. The gentleman is one of my very dear friends. What I said about this bill coming from the Committee on Public Lands I reiterate now. In discussing the matter with members of the committee and in listening to testimony before the Rules Committee several of the members said there were features of this bill they did not like, but they had to compromise in order to get anything.

What were the compromises? You have a provision in here to increase the amortization period from 50 to 78 years, giving this agency the right to use the money that ought to be paid back to the Government under the loans for an additional 28 years. There is another provision in the bill that reduces the interest rate from 3 percent to 2½ percent but only 2 percent of the interest is covered back into the Treasury. They leave in the hands of the Secretary one-half of 1 percent to play with, to employ engineers, if you please, or to promote wildlife, for instance.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman has referred to authorizations for flood control. Are those reimbursable or not?

Mr. HARNESS of Indiana. No; they are not.

Mr. CARROLL. Is it not true that every authorization for the West is reimbursable and has to be paid back?

Mr. HARNESS of Indiana. Yes; and that is as it should be.

Mr. CARROLL. That is right. Now, the gentleman has made reference to the city of Denver. I may say to him that his information is not correct about the Denver engineering office. As a matter of fact, in the last session of this Congress a limitation was placed upon the appropriation for the Denver engineering office and they have destroyed and dispersed that office.

Mr. HARNESS of Indiana. Effective the next fiscal year. Our investigators have reported that last summer the Denver office of the Bureau had 1,000 engineers on the pay roll.

Mr. CARROLL. They were on the pay roll, but they were not in Denver.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that the gentleman may have two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Wyoming.

Mr. BARRETT. I know the gentleman wants to be fair, but I think he is wholly mistaken when he says that the effect of this bill is to raise the limitation of the life of the project and the pay-out on the project from 50 to 78 years.

Mr. HARNESS of Indiana. That will come later.

Mr. BARRETT. May I say to the gentleman that he is wholly mistaken. Under existing law there is no limitation whatsoever. The law does not provide 50 years. It provides that it shall be repaid, and that means within a reasonable period of time.

Mr. HARNESS of Indiana. The policy of the agency has been 50 years.

Mr. BARRETT. No; the law does not say so.

Mr. HARNESS of Indiana. I did not say the law so provided. I said the policy of the agency has fixed it on the basis of 50 years.

Mr. BARRETT. The average pay-out is 60 years.

Mr. HARNESS of Indiana. Let us debate that when we get to it.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from New York.

Mr. TABER. As I understand it, the gentleman was interrogated a moment ago with reference to repayment of flood-control moneys.

Mr. HARNESS of Indiana. Yes.

Mr. TABER. I may say to the gentleman that there is just as much flood-control money spent out in the western part of the country as there is anywhere else in the country without reimbursement.

Mr. HARNESS of Indiana. Yes.

Mr. Chairman, it is unwholesome and fundamentally wrong for Congress to leave in the hands of the Secretary of the Interior the right to obligate us and the people's money without first coming to Congress for it. The Jensen amendment will accomplish in part what we should do here, but I still think we ought to go to the roots of the thing and repeal section 9 (a) of the 1939 act.

Mr. Chairman, the Jensen amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. FERNANDEZ. Mr. Chairman, I move to strike out the last word.

Mr. ROCKWELL. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Colorado.

Mr. ROCKWELL. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. On the pending section and all amendments thereto?

Mr. ROCKWELL. Yes.

Mr. PICKETT. Mr. Chairman, do I understand the gentleman is requesting that all debate on this section and all amendments thereto close in 10 minutes?

Mr. ROCKWELL. Yes.

The CHAIRMAN. I will say to the gentleman from Colorado that there are five more amendments on the Clerk's desk to this section.

Mr. ROCKWELL. Then, Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. FERNANDEZ. Mr. Chairman, I am not going to take the full 5 minutes. I just want to point out that if the Jensen amendment is adopted it may have one result, and that is that it will open the door to logrolling, which evidently the Congress, which passed the original 1939 law, wanted to avoid. This is particularly true with respect to the amendment which the gentleman from Indiana proposes to offer, because the amendment proposed by the gentleman from Indiana strikes out the entire section which requires the Secretary to make certain calculations, certain investigations as to costs and as to feasibility, before any bill can be presented to Congress or to the Committee on Appropriations. The result will be that a group of people on the river somewhere, having a little project, would have to come to Congress without the aid of the Secretary of the Interior and ask that their project be approved. Why, you would have hundreds of these projects up here without a proper investigation and the result would be, of course, logrolling. I would say to Colorado, "You help me with mine and I will help you with yours." The Committee on Public Lands would be under terrific pressure. Perhaps it is a good thing; I do not know; but if it is, I think the Committee on Public Lands ought to take this particular section and take this particular amendment into consideration, call witnesses, debate it fully, present it to the House for its consideration, and it ought not to be done here on the spur of the moment on the floor of the House.

Furthermore, it will endanger the bill which has been presented here for the purpose of correcting one of the greatest objections to the reclamation law raised by the gentlemen on the Committee on Appropriations, which I discussed yesterday. Let us stay with that and cure that objection, and if this other thing needs to be amended, and if we want to have a little logrolling, well, let us take that to the committee later on and I am sure the committee will give it very careful consideration.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from California.

Mr. ENGLE of California. In looking at the report on page 4 and comparing clause 9 of the existing law with section 9 in this bill, I do not see how striking out the language which is stricken by the amendment of the gentleman from Iowa

would change the existing law anywhere. Section 9 of the existing law will be just as it is. All this is a reiteration, is it not?

Mr. FERNANDEZ. Oh, no. The striking out by this amendment would in effect amend the existing law by striking it out of the existing law also.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, my approach to this problem is going to be institutional rather than technical. Sometime in the past the Congress of the United States adopted a policy of going west and harnessing those rivers for the benefit of the general welfare of the United States, and while I used to live out there in the West and operated industries, where we sent our own men into the hills and picked out our own spots, and where we, with our own private funds, built dams and impounded water, and later carried it out on our fields and irrigated our crops on a big scale, I went out this summer and looked over the field and found this new form of operation going on wherein the people of the United States, through the Irrigation and Reclamation Act, puts up hundreds of millions and proposes to put up billions of dollars.

You have harnessed the Columbia River, you are harnessing the Sacramento River, and you are harnessing the Colorado River in the interest of the general welfare of the United States. If you go to Grand Coulee and Bonneville you will find that about 65 percent of the kilowatt-hours you use in the Pacific Northwest is being produced from the waters harnessed by Federal funds, where the people are being charged rates on the consumption of kilowatts to reimburse those funds.

We are shifting our population and our industry to the western section of the United States at a very rapid rate, and by shifting I mean you have built and you are building new industries which are to take care of new populations. There are 20,000 people going into California per month. If we want to get our necks out—and there is some other language I could use that you would understand—just let us rewrite the Irrigation and Reclamation Act here this afternoon by two or three amendments such as are being proposed. I am not going to scuttle that operation out there and I am not going to be a party to scuttling that operation in such a manner. As a member of this committee, I feel that if you do not want to pass this bill, instead of cutting its throat, send the bill back to the committee and let this operation die.

If you want to go ahead with those projects and maintain the national defense of this country as wrapped up in the Colorado and Columbia Rivers, you had better be careful how you deal with this organic law, and not start out to rewrite it here on the floor.

Who is going to go out and make this initial work unless it is some department of the Government? The committee of

which I am a member is not going to do it, and I will bet you the Appropriations Committee is not going to do it, and I will bet you there is no special investigating committee of the House or the Senate that will do the job. You have the highest policy of government involved in the irrigation and reclamation operation of this country. You have your whole power project of the West, the entire water supply of the West, you have the Central Valley of California involved in this, which is an empire upon which this country is going to depend substantially for its food supply in the coming years; where you are going to build literally billions of dollars worth of irrigation canals, dams, and things of that kind, or you are going to surrender the western half of the United States and let it go back to the grasshoppers. You are going to put water out there; there is no question about that. If you are going to do away with the irrigation and reclamation project and jerk it back to a one-horse affair, you are starting out on it in a good way here this afternoon.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. ENGLE of California. Is it not perfectly clear to the gentleman that this proposed amendment does not take out of the bill an additional power which is given by the bill to the Secretary of the Interior, but what it is doing is going back and taking away from the Secretary of the Interior the power he has had for a long, long time?

Mr. CRAWFORD. It is a power which is now in section 9 of the existing law. You are proposing to rewrite the organic Irrigation and Reclamation Act here by these proposed amendments. That is no way to do it.

Mr. ENGLE of California. In other words, to make it perfectly clear, this amendment is not stopping an additional power which this committee undertakes now to give to the Secretary of the Interior, the amendment seeks to go back to the law as it existed and now exists prior to the passage of this bill and take out a power which the Secretary of the Interior has always had.

Mr. CRAWFORD. That is exactly what is being proposed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 51, noes 52.

Mr. JENSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROCKWELL and Mr. JENSEN.

The Committee again divided; and the tellers reported that there were—ayes 66, noes 74.

So the amendment was rejected.

Mr. COTTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COTTON: On page 6, line 23, after the word "authorized", insert "when adopted by Congress."

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that the amendment involves the question just previously voted upon and decided.

The CHAIRMAN (Mr. DONDERO). This is an entirely different matter. The Chair believes the amendment is germane, and the Chair overrules the point of order.

The gentleman from New Hampshire will proceed.

Mr. COTTON. Mr. Chairman, in offering this amendment I recognize the fact that I come from a section of the country which is not directly interested or involved in reclamation, but I am none the less anxious to be able to vote for this bill.

I realize further that it would be presumptuous for a new Member to attempt by amendment to tamper or tinker with a bill which, as has been said by members of the committee, is the result of long months and years of study. I would therefore call the attention of the committee to the fact that this amendment, unlike the previous amendment, does not in any way change the machinery of the bill. It simply preserves the authority of Congress, as the ultimate arbiter of the expenditures of government.

Mr. Chairman, I suggest that this principle far transcends anything involved in this particular measure or any other measure that comes before us on this floor. We have seen the vain endeavors of Congress to stem the tide of governmental expenditures; to dispense with needless employees; to reduce bureaucracy; again and again it has been impressed upon us that until we have the cooperation of departments and bureaus in the executive branch of the Government we are, to a certain extent, powerless to accomplish the result which we desire to accomplish and which the people desire we should accomplish. We cannot force that cooperation, of course, without invading the realm of the executive branch of the Government. But I insist that this is indeed a poor time for the Congress to formally abrogate and surrender any of its prerogatives in controlling the expenditures of the Federal Government.

Mr. ROCKWELL. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield.

Mr. ROCKWELL. The gentleman understands, of course, that this would accomplish the same thing as the amendment that was just defeated? You are trying to amend a law that has been in existence since 1939. In other words, this is nothing new. It is a custom that has been the practice for many, many years.

Mr. COTTON. I will say to the gentleman in answer to his first question that I do not concede that this simple amendment calling for the approval of Congress without disturbing the machinery set up in the bill is identical with the amendment that has just been voted upon.

In answer to his observation about the length of time this situation has existed

I would suggest that if a principle is wrong it is not made right by the length of time it lasts. Adam committed the first sin long ago in the Garden of Eden but antiquity does not justify it.

If it has been in the law of the land that the Secretary of the Interior may spend without approval of Congress we should take it out when we are reviewing it. Certainly we should not now place the stamp of approval on such a policy. Let us write into this bill that Congress must ultimately approve of all expenditures. Let us not be satisfied by passing that responsibility on to the Committee on Appropriations. This is the purpose of this amendment.

Mr. PICKETT. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, the fundamental principle involved in this amendment offered by the gentleman from New Hampshire I think is clearly understood by every member of the committee. I say to you that there is scarcely a Member of this House, I doubt if there is a single Member of this House, who at some time on the political hustings has not inveighed against and decried bureaucracy. When you were out seeking the votes of your constituents you told them that when they elected you to Congress you would come down here and take away the powers of the bureaus, the agencies, and the commissions that had been surrendered by the previous Congresses; and perhaps if your opposition in that election was a sitting Member, you pointed your finger directly at him when you made that statement.

This is not a new thing. It has been before us time and again in various respects. There is neither rhyme nor reason why the Secretary of the Interior or some inferior official in that Department should exercise that power, duty, and responsibility this Congress ought to shoulder itself and has shouldered in every parallel situation that we deal with down here.

You have heard expressed time and again today a similar criticism and the parallel drawn that when you are dealing with flood-control projects, when you are dealing with rivers and harbors authorizations, in order to get a survey made you have got to come to Congress and get it approved.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield.

Mr. JOHNSON of California. Does not the gentleman think that the real check on unbridled discretion of the Secretary is the Committee on Appropriations which reviews the request for moneys for projects they approve?

Mr. PICKETT. That is one check and certainly we ought to have that check. We ought to have other checks on these fellows who want to do something without the authorization of Congress. That is what is proposed by this amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield.

Mr. JENSEN. There has been so much said about the appropriate committee having the final say. That is all well and good, but when some committee of the Congress and the Congress of the United States passes a bill which authorizes some agency to go out and authorize these projects, then the people say, "Why, for goodness' sake, the Congress authorized this. Do you mean to say that you are not going to give us this money?" And they bring down the house on us. That is why during so many late years we have had these great appropriations which never should have been made.

Mr. PICKETT. All right; now let us get back to the fundamental proposition here. Are the Members of this House going to endorse a proposition that is fundamentally wrong simply because it has been the custom for 20 years to do it? That is one reason advanced by those who are in opposition to this amendment. That is no reason at all, and you know it. Are you going to endorse the continuation of a bad practice simply because, as some say, that to require you to go through a legislative process and require the Department of the Interior to justify these authorizations would also demand a great deal of work by the Subcommittee on Irrigation and Reclamation or the Committee on Public Lands? And certainly the charge and assertion which was made by my friend from New Mexico a few moments ago, that if you changed the policy of authorization from existing law to what is proposed here, there would result a considerable amount of logrolling, is one of the most astounding things I have ever heard. I do not know of any better opportunity to do logrolling than you would have if you wanted a group of projects in several States and you run down to the Secretary of the Interior or his delegated official and everyone pitched in and helped everybody else out. The custom for years—the practice for years and the law for years—has been that those who want flood-control projects authorized in their districts or their States or sections, those who want rivers and harbors authorizations, must come to the Congress and get them. I know of no instance, and there has been none referred to here, where there has been any logrolling. If there has been, somebody ought to mention it, and we ought to help eliminate it. Certainly the adoption of this amendment would return us to one of the fundamental conceptions of the duties and responsibilities of the Congress.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HARLESS of Arizona. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the whole purpose and intent of this amendment is the same as the last amendment. Every other amendment will have the same purpose. That is, to knock a hole in the irrigation and reclamation law.

It is a fact, and you know it to be, that we make large appropriations here for the REA and we delegate authority to that agency to approve projects. Is it not just as reasonable for the Bureau of

Irrigation and Reclamation to use the same judgment? There has not been one instance cited here where the Bureau has misused its judgment. There have been made general statements, but a specific instance has not been mentioned.

There are many cases where the Bureau of Irrigation and Reclamation has to move forward on small projects and make surveys. It cannot go forward in the authorization of projects and the expenditure of money on a project until it has been approved by the Appropriations Committee. It is desired that we go further in checking on the Bureau of Irrigation and Reclamation than we do with the REA or any other Government agency. In these other cases we give the agencies the money, let them go out, spend it and allocate it as they see fit. In this instance we hold in check all authority until it has been found to be thoroughly feasible, then it is presented to the Congress through the Appropriations Committee.

Mr. Chairman, if this amendment is agreed to it will cripple the Bureau to the extent that we cannot have continued expansion in the West. I know there are some people who would move their lips in friendship for irrigation and reclamation in the West but deep down in their hearts they do not want to see the West developed because they are afraid there might be some competition. But let me point out that we do not grow the same products out West that are grown in the Middle West. We buy the manufactured goods from eastern plants. When we develop one of these irrigation and reclamation projects it results in our buying large amounts of electrical equipment and farm equipment, which are produced in the East; therefore, it is to your advantage to see that this portion of the United States continues to develop. To shoot a hole in this particular law is to destroy the progress already made in the western part of the United States. Leave the law intact. For 22 years it has been working well.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HARLESS of Arizona. I yield to the gentleman from Colorado.

Mr. CARROLL. I am very much interested in what the gentleman said about limiting surveys and investigations. In the last flood-control bill, for which the Bureau of the Budget set up some \$5,000,000, we were limited to \$125,000 by action of the House. This was modified by the Senate and raised to \$2,000,000. The compromise passed this body. That is as much as could be spent for surveys and investigations. That is just another check in addition to the check that comes from the Appropriations Committee.

Mr. HARLESS of Arizona. I thank the gentleman from Colorado. In plain English, this law has been working well and for anyone to come in here with these amendments is to destroy its whole effectiveness. Please do not meddle with the law at this time. There are no instances mentioned here where there has been an abuse of authority. There has been a group of generalities. Leave the law as it is and let the Bureau of Reclamation and Irrigation continue to

function. They function as efficiently as any department. These projects pay back to the United States all money invested. In addition thereto, I have in mind a project near my home town of Phoenix. We pay more money each year in income taxes from the resources that we get out of this project than was paid to construct the project. It is to the benefit of all of us. Let us not poke holes in this law. So, I plead with you, do not adopt any of these amendments.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HARLESS of Arizona. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I was going to observe that the Congress does not approve large road-building projects, nor do we approve sites for air landing strips, and so forth. There would be just as much sense having Congress approve that type of construction as it would be for these small irrigation projects.

Mr. HARLESS of Arizona. It is not our business to go out and approve particular, minute details. That is the reason we have experts. That is the reason we do not approve every irrigation project, because we would find it will not function, and that is the reason we should leave this particular law as it is.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HARLESS of Arizona. I yield to the gentleman from Arizona.

Mr. MURDOCK. My colleague is right in pointing out the great economic benefit of irrigated areas. I would like to ask the gentlemen on either side of the aisle who have apparently been opposing reclamation here whether they can find anything in general in the history of reclamation from 1902 down to the present hour to complain of? Throughout those 45 years the Bureau of Reclamation has spent nearly a billion dollars and created wealth, tax-producible wealth, as the gentleman has said. My colleague refers to the great reclamation project in which we live in the Valley of the Sun. Yes indeed. That project has received from the Government a total of less than \$25,000,000, three-fifths of which has already been repaid. In addition to the income tax mentioned, this project has created more than \$200,000,000 in permanent wealth. That project has lately produced \$40,000,000 in cash crops over 12 months.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. ROCKWELL. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I rise in opposition to the amendment. I realize that this is a national issue, and I am sure every Member of the House does. I also realize that many Members do not realize that this is for reimbursable projects, and that every cent so far has been and will be repaid.

Yet, my friends say they are for reclamation, and then immediately try to give it the stiletto and murder it. Let us be fair with these western people that have done so much for the defense of this Nation, and for the welfare of this Nation, and let them point out wherein there have been any projects wherein the Bureau has abused its power.

It would be just as sensible to come in here and say that before the RFC makes a loan or even an estimate, whether the security is sufficient or not, they should refer it to Congress for congressional action. I wonder if some of them would not come in here and want Congress to pass upon whether or not they should button up their vests before they act.

You cannot put hobble skirts on an agency and expect it to function. We must give it an opportunity to step out and do the preliminary work, and then Congress does pass upon it, if they need money to continue or more money than will be paid back by the reimbursable provisions of the present law. The whole thing is confusion and misrepresentation and misunderstanding by men who have no knowledge of irrigation and reclamation, and yet they want to talk wisely about it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. As the gentleman has stated, here is a proposition where somebody in the United States advances some money to certain sections of our population to build irrigation and reclamation projects, which money is to be reimbursed. Why not do more of that, at least in line with the billions of dollars we are sending to other countries where we know good and well there will be no reimbursement? Is it not as much for national defense to provide for a large percentage of our population in the Western States as it is to do jobs abroad in Palestine, China, India, or somewhere else?

Mr. LEMKE. I would say a hundred times more so, and I will go further and say that it is just as important, and more important than the large appropriations we make each year without reimbursement for river and harbor improvement. My eastern colleagues ought to sit up and take notice. They may hear from us sometime if they continue their present obstructive practice connected with western irrigation projects.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, the amendments that have been offered today have been opposed on the ground that other agencies of Government do not have to come to Congress to get authorization. Now I ask you if that is not the primary reason why this Nation is in such a mess today? Mr. Chairman, I think it is about time that every agency of Government be required to come to Congress to get its authorization to spend the people's money. Until we do that, we will be going down the road to financial destruction and complete destruction of everything we hold dear in America.

I am fed up, sick, and tired of listening to some Members of Congress, men that you expect more than just lip service from, when they have something that is of particular interest to them, getting up and saying, "Let the bureaucrats run America and let Congress do the wishes of the New Deal socialists." We were elected to represent all the people of America as well as the people in our own district. I sincerely trust you will not vote against this simple amendment which provides that the Interior Department shall come to the Congress to get authorization for these great expenditures which will in the next few years amount to billions.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Indiana.

Mr. MITCHELL. Does this amendment place any limitation on the size of the projects that will have to be approved by Congress?

Mr. JENSEN. No; it does not.

Here is what you are doing if this bill in its present form is made law. It will stir up a fight in Congress on reclamation projects, so sufficient appropriations for many worthy projects might be in jeopardy. You are doing a terrible disservice to reclamation and the development of the West by this kind of business; remember what I am telling you, my colleagues.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, I am opposed to this amendment. The fact of the matter is that we have voted down an amendment that has the identical objective. There are just two ways to find a project feasible. In the first place, Congress has the power to consider individual projects and to declare them feasible, and that was done in the last session of this Congress. In the second place, this Congress since 1926 has delegated to the Secretary of the Interior the power to declare projects feasible under certain accepted rules and regulations as laid down by the Congress.

What is the effect of the amendment offered by the gentleman from New Hampshire? He says, "All right, the Secretary of the Interior can make these studies, he can make these findings, but the project will not become feasible and be authorized until adopted by the Congress." To my way of thinking that is absolutely absurd, because after all, what does that mean? It means that the Congress itself has to authorize the project. We have already voted on that particular issue. We have had it up. The gentleman from Iowa offered an amendment the effect of which was to say that a project could not be authorized except by a vote of the Congress. I think this is just a lot of horseplay, if you ask me. We have already voted down that proposal.

Mr. HARNESS of Indiana. Does not my good friend from Wyoming feel that it is the duty and the responsibility of Congress to recapture these delegations of power which were made at a time when they should not have been made and has not the gentleman himself criti-

cized the Congress for having delegated power that the Congress itself ought to exercise?

Mr. BARRETT. What I criticize very severely is the abuse of the power the Congress delegates. That was the case in the matter of the Jackson Hole National Monument. I am sure that Congress recognized that fact when they repealed the action of the executive in establishing that monument.

I want to say furthermore that I think the gentleman is incorrect because we must delegate authority. We have delegated authority to the Interstate Commerce Commission to establish rates. We have delegated authority in hundreds of cases. As long as we safeguard these delegations of power with sufficient restrictions I am sure we are on safe ground.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. COTTON].

The question was taken; and on a division (demanded by Mr. ROCKWELL) there were—ayes 51, noes 48.

Mr. ROCKWELL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROCKWELL and Mr. COTTON.

The Committee again divided; and the tellers reported there were—ayes 58, noes 66.

So the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 7, line 5, after the period, strike out the remainder of the paragraph.

Mr. HOBBS. Mr. Chairman, please let me make clear at the very outset that this is not one of the amendments which is seeking to take anything away from the Bureau of Reclamation or the Secretary of the Interior that they have ever had before.

I believe this is an amendment which will help the bill, yea, which will save it from disastrous defeat; because it will never become the law with this joker in it that this amendment would eliminate.

I do not believe the committee realizes the extent to which these words go. I know there are Members of this House who are voting for the bill because it has always been said, and truly, that projects would be self-liquidating. Now, here is a proposition that authorizes the Secretary of the Interior to go back for 40 years, should he so desire, to the very beginning of the Bureau of Reclamation, and "make findings with respect to projects heretofore authorized as to that part of the cost thereof which should be allocated in accordance with the provisions of subdivision (7) hereof and in accordance with subsection (b) of this section, and such part of said costs shall, after transmittal to the President and the Congress of a report containing such findings, be nonreimbursable and nonreturnable. Operation and maintenance costs attributable to the purposes enumerated in subdivision (7) hereof shall, after the transmittal of any such report, be nonreimbursable and nonreturnable."

The only string tied to this unlimited grant of new power is, you will notice, that the allocation should be "in accordance with the provisions of subdivision (7) hereof and in accordance with subsection (b) of this section." This string refers only to the allocation and its purposes, and these purposes are stated to be, "(i) preservation and propagation of fish and wildlife pursuant to the act of August 14, 1946 (60 Stat. 1080), or (ii) recreation, including recreation by reason of the provision of enlarged or improved facilities or conditions specifically and reasonably required for such purposes, or (iii) general salinity control, or (iv) silt control. Costs allocated pursuant to such findings, together with the annual operation and maintenance costs attributable to the same purposes, shall be nonreimbursable and nonreturnable."

But if you will read carefully what this amendment seeks to eliminate, you will see that it ties itself only to the allocation and its purposes and eliminates from section 7 this vital condition precedent: "the part of the estimated cost," which effectually leaves out of all consideration the vital requirement that there should be an estimate of the cost of effectuating these purposes in the project.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I will be so happy to yield to the distinguished gentleman from Nebraska.

Mr. MILLER of Nebraska. Will the gentleman point out in the portion he proposes to strike from the bill where that provision is found?

Mr. HOBBS. On page 7, line 5:

The Secretary may make findings with respect to projects heretofore authorized.

I asked the Commissioner of Reclamation himself if I were correct in my interpretation that that would authorize him to go back to the foundation of his Bureau and in any project that subserved: (i) Preservation and propagation of fish and wildlife pursuant to the act of August 14, 1946 (60 Stat. 1080), or (ii) recreation, including recreation by reason of the provision of enlarged or improved facilities or conditions specifically and reasonably required for such purposes, or (iii) general salinity control, or (iv) silt control, the Secretary could make findings as to that part of the cost thereof which should be allocated, and that such part of said costs might become nonreimbursable and nonreturnable, he said, "Yes."

Mr. MILLER of Nebraska. He must of course report to the President and the Congress, and it must be accepted by the President and the Congress as to those provisions.

Mr. HOBBS. I am not entering into that debate; that is partisan, that has nothing to do with the merit of my amendment; but I submit that when the people from the arid lands of the West come to Congress and ask for irrigation and reclamation projects on the strength of their assurance written into the law that the users of the water, the users of the electrical energy would pay for the project eventually, they ought to live up to their contracts. I have supported

every one of such bills since I have been here and would like to support this one. But I can never go back for 40 years and catch up the loose ends that never before have been mentioned in reference to projects some of which have been paid for, and take from the Federal Treasury money long since paid in good faith, by the provision that such funds shall become nonreimbursable and nonreturnable. So, it means that you may have a \$40,000,000 joker in the bill. There is no excuse for it and no need for it. It does not help the bill. I submit that the amendment ought to be accepted by the Committee.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I take this time to ask the author of the amendment, the gentleman from Alabama [Mr. HOBBS] some questions. Does not the gentleman's amendment apply only to that portion of the projects mentioned in subparagraph 7, page 5, of the bill?

Mr. HOBBS. I do not think it even covers that much. It covers only the retroactive effect of that provision. We are leaving the provision in there as to all pending and future projects.

Mr. CRAWFORD. Let me submit my question this way: The amendment the gentleman offers would strike the language which appears in the bill now before us which has reference to that portion of projects heretofore built which deals only with the preservation and propagation of fish and wildlife. Is that correct?

Mr. HOBBS. And similar things in the past; yes.

Mr. CRAWFORD. In the past, all right. Now let us analyze the amendment for a moment. Suppose that 20 years ago a project was entered into which involved a cost, we will say, of \$10,000,000, \$50,000 of which at that time involved the preservation and the propagation of fish and wildlife, fish and wildlife being preserved in the interest of the general welfare of this country. Upon what grounds have we any right to burden a group of farmers who purchase water from a project so financed and built? It is making those farmers who buy that water pay for the portion of that project which was built for the preservation and propagation of fish and wildlife when the fish and wildlife are to be enjoyed by the people of this country generally. I think that is a fundamental issue which is raised by this amendment.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Alabama.

Mr. HOBBS. I am delighted to reply to the gentleman. Assuming the hypothetical case which the gentleman mentions 25 years ago, they came, they offered to pay; nothing was said about the preservation of fish or the propagation of fish or wildlife; they have been paying on the basis of the original contract for all these 25 years. Some of these pay out completely in 40 years. This was never thought of then, nor were our fish hatcheries in existence then.

Now, all that I am saying is that as to those projects in which it is contemplated recreation, fish, game, or whatnot, anything you want to put in there, can be done now as to pending projects or future projects, but do not make a gift to these people who have been paying for 40 years out of the Treasury of the United States money for these purposes that was never contemplated, which projects in some instances have been paid out and liquidated in full.

Mr. CRAWFORD. I would like for the gentleman to say specifically whether the language of his amendment deals strictly and categorically only with the language preservation and propagation of fish and wildlife? It is limited to that, is it not?

Mr. HOBBS. No; it is not.

Mr. CRAWFORD. Let us see if it is not. Subparagraph 7, which the gentleman's amendment affects, says:

The part of the estimated cost which can properly be allocated to (1) preservation and propagation of fish and wildlife pursuant to the act of August 14, 1946, or (2) recreation, including recreation by reason of the provisions of enlarged or improved facilities or conditions specifically and reasonably required for such purposes, or (3) general salinity control, or (4) silt control.

Mr. HOBBS. It applies to all those categories.

Mr. CRAWFORD. It applies to all those categories, I agree with the gentleman. That is a further reason why you have no moral right to impose such costs on a group of farmers who are buying water to irrigate their land. Let the general public pay for what they use and enjoy; don't impose it on the farmer.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ROCKWELL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. D'EWARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to call attention particularly to the wording of this paragraph. It goes further than has been indicated up to the present time:

"The Secretary may make findings with respect to projects heretofore authorized."

We have discussed up to now only projects that have been constructed. In the Missouri River Basin of Montana we have a lot of projects that have been authorized but not constructed, projects that extend along a river 2,500 miles long. Those projects were authorized in what is known as House Document 191. They have not as a whole been constructed; in fact, very few of them have even been started.

If the pending amendment is adopted those projects could not be reexamined to determine the amount of cost that should be charged to salinity, to silt control, to wildlife and other items that the Congress has indicated approval of in today's debate and which would be credited as nonreimbursable items. In other words, the farmers in those areas would

have to pay for such items if the projects are constructed.

We have in other parts of the country projects that have been authorized but not constructed. It seems to me if the Congress is going to adopt this principle in regard to future projects, projects that have been authorized but not constructed are entitled to the same treatment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. D'EWARD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As I understand the gentleman's position, he draws a real distinction between authorized projects of the past and projects actually constructed, and as I further understand, the gentleman's contention is that the language in the bill now does not apply to projects that have been completed.

Mr. D'EWARD. The language of the amendment applies both to authorized projects that have not been constructed and authorized projects that have been constructed.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. D'EWARD. I yield to the gentleman from Alabama.

Mr. HOBBS. I think the gentleman is very mistaken. It does not touch it. My amendment touches only those that were heretofore authorized and does not touch those that are now pending or in the future. If there is any question about it, I will be glad to call attention to section 7 and subsection (b) of section 9. There is not a word in my amendment that applies to anything but those heretofore authorized.

Mr. D'EWARD. I would like to say in answer that no project that has been constructed in the past was constructed without first being authorized; therefore the amendment applies to not only projects authorized but also those that have been authorized and constructed.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. D'EWARD. I yield to the gentleman from Nebraska.

Mr. CURTIS. The adoption of the amendment would certainly make the rule lack uniformity in the various sections of the West.

Mr. D'EWARD. That is correct.

Mr. CURTIS. It seems to me that this committee has done a good job in working out this bill. I have voted against the previous amendments and I shall vote against this one and support the bill.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. D'EWARD. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. For instance, in my own congressional district there are two projects, one known as the Optima Dam project, authorized by this Congress more than 10 years ago, but construction of the project has never even yet been commenced. Of course, the adoption of this amendment offered by my good friend from Alabama would impose a situation on my folks out there entirely different than these projects that are to be built in the future, because they have been authorized heretofore. This amendment clearly, I think, takes in those projects, all of the projects, that were heretofore

authorized, even though no construction work has been done on them.

Mr. D'EWARD. The gentleman is entirely correct. The amendment includes the authorized projects, whether constructed or not constructed.

I therefore oppose the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, on first appearance this would not be a bad amendment, but this is just another illustration of what happens when you try to write legislation on the floor. In my personal opinion this is going to sabotage the very thing we are trying to accomplish in this bill. Let me call your attention to a few of the things that might happen and do happen on these great western projects.

Let me read from section 9, paragraph (7) at the top of page 6 of the bill, "recreation, including recreation by reason of the provision of enlarged or improved facilities or conditions specifically and reasonably required for such purposes."

Now, a project could very easily be started, finished, and completed in every detail, and then this part that I have just read have no bearing or interest on the project for years after the project had been completed and in use.

Let me read clause (iii): "General salinity control."

Now, the control of the water itself is a very important project. I am referring to the changes in the water after you find out you have had it in this reservoir for months or years past. The very standing of the water in the reservoir and the condition of the soil may so affect the change of that water that the farmers cannot use it. I suppose on the floor of this House you want to rewrite this legislation and prepare it in such a way that no recourse could be had by the farmers who had irrigated their lands and established their ditches and prepared their land for water, and then to find themselves up against the proposition where none of the water was usable after a certain number of years. Still a worse condition exists, and that is this. I am talking about silt control. Silt can put an irrigated section out of business.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. With reference to salinity, a man would need to go into the Central Valley of California and spend 3 or 4 weeks on the study of that one question alone before he would be prepared to discuss this thing intelligently.

Mr. HILL. Of course.

Mr. CRAWFORD. After the deal has been completed and been in operation for years, you may find the accumulation of silt that destroys the use of the water. Farmers have some rights in this the same as other people.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Arizona.

Mr. MURDOCK. I call the attention of the Committee to the fact that in the

Committee on Public Lands we had a discussion on almost every phase of this bill, and on this particular phase of the nonreimbursability of the items named, such as salinity control, there was no controversy. We were unanimous all the way through in making those items nonreimbursable. While that does not quite apply to the matter of making them retroactive, yet I think we ought to apply the rule now generally accepted uniformly.

Mr. HILL. In discussing this question of silt, let me say that only today in a discussion of this bill with some friends of mine I learned that the lake behind the great Boulder Dam, now called the Hoover Dam, in the course of a number of years will fill itself completely up with silt. If you apply that to many irrigation lakes in my own county and my own district, we have lake after lake that is beginning to be filled with silt.

If you accept the amendment of the gentleman from Alabama [Mr. HOBBS], for whom I have the highest respect as one of the real lawyers of this House, you will find yourself in difficulty on these projects, because when these reservoirs fill up with silt certainly the Interior Department has a responsibility in keeping their contract with those farmers using this water. The land under the Colorado-Big Thompson project has been bonded; it is a mortgage against every farm in that district. Would you come along and write words in here which you cannot justify and tell those farmers that after they have mortgaged their farms and paid the mortgages off, and the reservoirs fill up with silt, that they have no recourse on the Department of the Interior who provided the water?

In Colorado we have one of the first projects that was ever built by the Interior Department. Today there is a committee working to bring before this House legislation to provide some protection to the farmers in that particular district who find themselves in severe difficulty. At the time of building this project, or when completed and used for several years many of these problems or difficulties arose. Now if you adopt this amendment, the farmers on this project can have no possibility of ever receiving any assistance from the Interior Department in correcting their troubles. This amendment should be unanimously defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

Mr. PICKETT. Mr. Chairman, I have two amendments at the Clerk's desk. Since they apply to the same section of the bill and deal with the same subject, I ask unanimous consent that they may be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. PICKETT:

On page 7, line 12, after the word "nonreturnable", insert the following: "only after provision has been made by act of Congress after the Secretary has transmitted to the

President and the Congress the report and findings involved."

On page 7, line 15, after the word "nonreturnable", insert the following: "only after provision therefor has been made by act of Congress enacted after the Secretary has submitted to the President and the Congress the report and findings involved."

Mr. ROCKWELL. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. PICKETT. I yield.

Mr. ROCKWELL. Mr. Chairman, has not this amendment already been covered in other amendments that have been voted on today?

Mr. PICKETT. I insist on the amendment, Mr. Chairman. I cannot yield further. The situation is simply this, notwithstanding that you voted down the principle which I espoused a few moments ago, when I asked to make it mandatory that projects approved by the Bureau of Reclamation be submitted to the Congress for authorization, I think certainly that the problems presented by the gentleman from Alabama and the argument he offered in support of it is a further reason for the necessity for requiring that the approvals be given by an act of Congress rather than the Bureau of Reclamation or the Secretary of the Interior.

Now let us look at what you have here. Based on certain criteria upon the approval of the Secretary of the Interior, he may approve projects. Then as you go along and read your bill you find this language commencing on line 24, page 6:

If all such allocations do not equal said total estimated costs, then such new project, new division, or new supplemental works may be undertaken by the Secretary only after provision therefor has been made by act of Congress—

And so forth. That is what is in this bill. You are assuming apparently that the Congress will be more generous with your projects than the Secretary of the Interior would be because you have written in the bill language which purports to say that if under the criteria that he must consider he does not find it economically feasible and sound, then you ought to come to the Congress and you must come to Congress and get authorization for it; but where it happens to suit you or where it is deemed to be feasible and economic under the terms of this bill, you do not want to do anything except let him have *carté blanche* to authorize it. Why should you not be fish or fowl instead of fish and fowl as the case may be. It simply amounts to this, that basically and certainly under good and sound principles of government and good and sound practice by the Congress, we ought to require that all projects of the size and importance of reclamation projects be approved by act of Congress, just as we do with flood-control projects and rivers and harbors projects and other projects of that kind.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield.

Mr. MILLER of Nebraska. Are not the amendments offered by the gentleman similar in principle to the amendment which the Committee defeated this afternoon?

Mr. PICKETT. I certainly agree that they are, and I would want to insist that the action of the House a few moments ago was erroneous if you are going to act under sound legislative principles and not delegate your authority to somebody in a Federal department, bureau, or agency.

I want to call your attention again to the language found in this bill where you say if it is not feasible under the criteria then come down to Congress and maybe Congress will be a little more generous with you. That is the effect of it. But if it is feasible, you say we still do not want to come down here and justify it before a committee of this House.

(Mr. PICKETT asked and was given permission to revise and extend his remarks and also to revise and extend the remarks he made previously.)

Mr. ROCKWELL. Mr. Chairman, I make the point of order that this amendment in substance was already voted down by the committee.

The CHAIRMAN. The point of order comes too late.

Mr. ROCKWELL. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PICKETT].

The question was taken; and on a division (demanded by Mr. PICKETT) there were—ayes 19, noes 40.

So the amendment was rejected.

Mr. HARNESS of Indiana. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eight Members are present, a quorum.

Are there any further amendments to this section? If not, the Clerk will read.

The Clerk read as follows:

SEC. 2. That section 9 (c) of the Reclamation Project Act of 1939 (U. S. C., 1940 ed., title 43, 485h (c)) is hereby amended to read as follows:

"The Secretary is authorized to enter into contracts to furnish water for municipal water supply or miscellaneous purposes. Any such contract either (1) shall require repayment to the United States over a period of not to exceed 40 years from the year in which water is first delivered for the use of the contracting party, with interest not exceeding the rate of 2½ percent per annum on the unpaid balance if the Secretary determines an interest charge to be proper, of an appropriate share as determined by the Secretary of that part of the construction costs allocated by him to municipal water supply or other miscellaneous purposes; or (2) shall be for such periods, not to exceed 40 years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost and an appropriate share of such fixed charges as the Secretary deems proper, and shall require the payment of said rates each year in advance of delivery of water for said year. Any sale of electric power or lease of power privileges made by the Secretary in connection with the operation of any project or division of a project shall be for such period, not to exceed 50 years, and at rates as in his judgment will produce power revenues which, together with power revenues from all other sales or leases or power privileges, will be at least sufficient to cover (1) an appropriate

share of the annual operation and maintenance cost, including reasonable provision for replacements; (2) the return, within 78 years from the date upon which each feature becomes revenue producing or the useful life of such feature, whichever may be the shorter, of an appropriate share of the construction investment properly allocable by the Secretary to commercial power, together with interest on the unpaid balance at a rate of not less than 2½ percent per annum; (3) the return, without interest, within a reasonable period of years not exceeding the useful life of the irrigation features, and with respect to each irrigation block, in a period conforming so far as practicable to the period within which water users are required to repay their share of the irrigation costs, of that share of the investment found by the Secretary pursuant to subsection 9 (a) hereof to be properly allocable to irrigation but assigned for return from net power revenues: *Provided*, That the power revenues to be applied toward the fulfillment of the obligation to return that share of the investment found by the Secretary pursuant to section 9 (a) hereof to be properly allocable to irrigation but assigned for return from net power revenues may include no more than one-fifth of the revenues derived from the interest component of power rates in addition to any and all sums otherwise assigned for such purpose from power revenues: *Provided further*, That all revenues derived from the interest component of power rates not so assigned shall be accounted for as interest and shall, together with all other moneys so required to be returned to the United States, be returned to the United States as provided by the act of May 9, 1938 (52 Stat. 291, 318); and (4) such other costs and fixed charges as the Secretary deems proper. In said sales or leases preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof. Nothing in this subsection shall be applicable to provisions in existing contracts, made pursuant to law, for the use of power and miscellaneous revenue of a project for the benefit of users of water from such project, and the provisions of this subsection respecting the terms of sales of electric power and leases of power privileges shall be in addition to and alternative to any authority in existing laws relating to particular projects. No contract relating to municipal water supply or miscellaneous purposes or to electric or power privileges shall be made unless in the judgment of the Secretary it will not impair the efficiency of the project for irrigation purposes."

Mr. HARNESS of Indiana. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARNESS of Indiana: On page 8, line 21, strike out "seventy-eight" and insert "fifty."

Mr. HARNESS of Indiana. Mr. Chairman, this amendment is intended to continue the policy in connection with the retirement of the contribution of the Government loan on these projects at 50 years, the same as it is now. I understand the law does not specify any particular period over which the Government loan shall be amortized, but it has been the policy since the reclamation projects started to amortize the Government loan over a period of 40 years, allowing the first 10 years for the project to become self-sustaining.

The proposal in this bill is to increase the total period to 78 years. No project

has ever been carried over such a long period of time. Commercial loans are never based on such extended terms. This is simply subsidizing cheaper power rates, which power is simply an incident of the reclamation and irrigation project. I think it is entirely too long for the Government to wait for its money. It is true this bill provides for interest charges. The law as it is today provides for a rate of 3 percent, but the Solicitor of the Department of the Interior has ruled that interest should not go back into the Treasury. In other words, returns on Government loans could be used for other projects in connection with the Interior Department program.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. In just a minute.

This bill proposes to reduce the interest rate to 2½ percent and cover back into the Treasury 2 percent of the 2½; but one-half percent is still left in the hands of the Secretary to play with just as he has been playing with the 3 percent.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield for a correction?

Mr. HARNESS of Indiana. In just a minute I will yield to the gentleman.

I think the ruling of the Solicitor was wrong and was not based upon any sound principle of law. It was never the intent of this Congress to waive interest on the loans that we made for these projects, even though they were covered back into the Treasury—2 percent interest.

It is proposed to increase the repayment period from 50 to 78 years. That is not good business, and I hope this Committee will adopt this amendment reducing the period of time to the number of years established by the Interior Department heretofore.

I now yield to the gentleman from New Mexico.

Mr. FERNANDEZ. The gentleman has twice said that the Secretary had 2 percent to use in any way he saw fit, to play with on other projects. I remind the gentleman that it can be used only on a particular project to remit irrigation charges and costs in that particular project.

Mr. HARNESS of Indiana. The gentleman perhaps is not familiar with the activities of the Interior Department in handling the money that has been placed at their disposal.

Is there anything wrong with maintaining the situation as it is today? Are we going to subsidize cheaper power rates in competition with private power up there by delaying the period of time in which the taxpayers are going to get back the money they lent? I think it is all right for the Government to lend this money on these projects, but I do not think it is fair for them to use the money over such a long period of time in order to cut down the rate on power which is only an incident of the original project.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CARROLL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is really the nub of the whole bill, this is the real issue that is before this body right now. These other

amendments that we discussed, as I have said before, were not germane to this legislation, so this is the real issue that is before this body and I hope now we have unveiled the forces that are working against this piece of legislation. The gentleman has expressed it: Are we going to give the people cheap power? That is the issue in this whole piece of legislation.

Let me summarize for just a moment what has happened in the weeks, the months, and the years in the discussions that came before the committee. The real issue has been this, let us take for example the Colorado-Big Thompson project. It is a multiple-purpose project. In the Colorado-Big Thompson project, for example, the estimated cost of creating that project was \$50,000,000, \$25,000,000 allocated to irrigation and \$25,000,000 for the sale of electric energy. There is a distinction between estimated costs and actual cost of construction. The estimated cost is based on a pay-out period of 50 years. As stated by the gentleman from Indiana, there is no law governing this except an opinion of the Solicitor General. That opinion, as the gentleman from Wyoming has pointed out on numerous occasions today, sets no limitation upon the pay-out period. It can be for the natural life of the project. This legislation for the first time imposes a limitation upon the power of the Secretary of the Interior. That limitation is 78 years or the useful life of the project, whichever is the shorter; in other words, a limitation of 78 years.

Mr. Chairman, it is the duty of the Secretary of the Interior to determine the economic feasibility of a project. What do I mean by that? When he goes out to estimate whether or not these projects are feasible he has to find out where you can sell the power and how much you can sell it for.

Let me tell you what has happened in the case of the Colorado-Big Thompson project. I mentioned the estimated cost of construction as \$50,000,000. It has been said that the Bureau of Reclamation has not done a good job. As a result of the increase in the cost of material, labor, and some other factors, that original estimate of \$50,000,000 has now gone to \$131,000,000. The farmers of northern Colorado cannot and should not bear that increase. It has to come from some place. Where will it come from? It will come from the eventual sale of electrical energy.

What is the price now? Seven mills per kilowatt-hour—too high for sale in that area. They will be pricing themselves out of the market unless we enact this legislation. If there were no legislation at all and we used that 3-percent interest to pay for the cost of irrigation and the increased costs, then the power would sell for about 5.1 mills. They can sell it in that area for five and one-tenth. Under this law which extends the period from 50 to 78 years, we will have a comparable power rate.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from New York.

Mr. WADSWORTH. May I ask the gentleman how the figure "78" was arrived at?

Mr. CARROLL. The figure "78" was reached, according to my best recollection, and I stand to be corrected, in this way: We had a certain problem to meet. There was the feeling that we should pay the interest component of 3 percent back into the Treasury. Obviously if we took the interest away from the cost of irrigation we would have to increase the power rate. Power is already carrying too large a load. But the Appropriations Committee insisted that we have got to pay the 3-percent interest money back into the Treasury. This legislation is the compromise coming out of the committee. There was a feeling that if we extended the pay-out period to 78 years we could meet all of the objections. We pay our way and we will pay the interest back into the Treasury of the United States. There will be no loss of money. At the same time we will not increase the power rate to take us out of the power market. It is just a sound business transaction.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. I hope the gentleman will bear with me for about a half a minute. I neglected to say when I offered this amendment that I was doing it on behalf of the gentleman from Iowa [Mr. JENSEN], who was momentarily called from the floor, he, of course, being chairman of the Subcommittee on Interior Department Appropriations and vitally interested in this matter. He asked me to say to the House in his behalf that this is one of the most important things that he had to contend with in this bill and he hoped the amendment would be adopted.

Mr. CARROLL. May I say to the gentleman from Indiana that is one of the reasons that we have recommended this legislation. It was to meet the urgent and repeated demands of the Subcommittee on Appropriations. I personally felt there was no need for this legislation but there was a feeling, because they were holding a club over the head of the West, that we had to return the percentage into the Treasury; therefore, in order to do that and meet the demand of the gentleman from Iowa [Mr. JENSEN], and a former Member of Congress from Ohio, Mr. Jones, we recommended this very legislation.

Using the Colorado-Big Thompson as an example, I say to you if your amendment prevails it will mean an uppage in the power rate that may destroy the economic feasibility of the Colorado-Big Thompson, and further I say to you as regards the Central Valley Authority in California, if the Members of California

support this amendment, you may destroy the operation of the Central Valley Authority; this same principle pertains to every great project in the West.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Missouri.

Mr. PLOESER. I merely wanted to point out to the gentleman that last year this Congress agreed to a 40-year amortization for TVA. That does not mean that TVA is actually on a 40-year amortization basis because probably the average age of TVA and its various projects is already 7 or 8 years. But, it was to stay within a projected 50-year period, and TVA cooperated with that sort of a program. TVA includes not only power; it includes navigation and flood control. We worked out, at least tentatively, and enacted into law, a 40-year amortization program which seems to be most reasonable. I want to see reclamation go forward. I want to see cheap power. I think it is part of the life stream of the economy of the Nation, and where there are excessive charges by private operators in the power field, I think the yardstick is a healthy one. But, let us not be uneconomic in whatever our plans may be. The authorities seem to feel that somewhere between 40 and 50 years is reasonable amortization. Now we say that some projects in some sections of the country will be 78 years and others will be 40 and 50. I do not think we are entirely logical in that.

Mr. CARROLL. May I interrupt the gentleman to say that we are not confronted with a theory; we are confronted with an economic fact, and the economic fact is this. The West is imposed upon, may I say. They insist that we shall pay the interest component into the Treasury instead of into the cost of irrigation.

Mr. PLOESER. Of course, TVA is paying back into the Treasury.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. PLOESER. I would like to ask for additional time if the Committee does not object. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for five additional minutes. I think his discussion is most intelligent.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CARROLL. I think the TVA, with which I am not familiar, may have different economic circumstances surrounding it, but from listening to hours and days of testimony, if the amendment offered by the gentleman from Indiana prevails, I know what it will do to the power rate all over the West, and I know that it will increase that power

rate to such an extent that you may destroy the economic feasibility of the existing projects. May I finish by saying this, from a sound business standpoint the Government has invested millions of dollars from which it must receive a return on, from revenue which can only come from the sale of electric energy. That electric energy must be sold at a rate which is reasonable.

Mr. PLOESER. Well, but you have two factors to consider when you are trying to allocate your funds and make a division as between irrigation or flood control or whatever else you have and power. You are not going to build a project that has to price itself out of the market. If you are going to build one it must price itself within the competitive market for the users of power, and then it is only natural that you will get your project in such shape that you can be economic enough to do it within a reasonable amortization period, or else it is not beneficial to the Nation in the long run. It is still not too late to make proper allocation of the costs.

Mr. CARROLL. The allocation of the costs has already been made. Irrigation in the West can bear only a certain amount of the load of these great projects. The great brother that bears the load is power. If you put too much of a burden on power, you will destroy the great projects.

Mr. PLOESER. Beyond the point of what costs can be revised, if they can be revised in the light of facts from \$50,000,000 to \$120,000,000, which the gentleman is talking about, they can be revised in the light of the facts as to the proper allocation of the investment.

Mr. CARROLL. I am sorry I cannot agree with the gentleman.

Mr. PLOESER. One is just as good as the other.

Mr. CARROLL. It may be true as to future projects but clearly not as to existing projects.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The gentleman from Missouri brings up the agreement that was reached with TVA on this repayment plan. This is an entirely different situation. It involves more than one project. TVA cost allocations were defined and fixed based on the amount of revenues being paid into the Treasury, but here you have numerous projects. You cannot treat them as individuals, the whole group must be taken into consideration.

Mr. CARROLL. The real point here is that the Government does not lose a dollar, not a dollar.

Mr. JONES of Alabama. Of course not.

Mr. CARROLL. We are investing not only in the future of the West but in the future of this Nation. There is a bill before this Congress that may ask for \$2,000,000,000 for a great Air Force, continued expansion and production of electric energy is needed for this program.

Mr. JONES of Alabama. If we had just one project under this bill, we might agree to that.

Mr. CARROLL. Of course.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. The project the gentleman mentions was one of those projects the Secretary of the Interior approved based upon an investigation by the engineers as to its feasibility under the policies then existing in the Department of the Interior.

Mr. CARROLL. I am not sure of that, but I think it is reasonably accurate.

Mr. HARNESS of Indiana. That is true. That policy was that amortization of the Government loan would be made upon a basis of 50 years.

Mr. CARROLL. That is right.

Mr. HARNESS of Indiana. Now, after the project is all established and after the Secretary has made his survey and recommended that it could be done feasibly and the rates would be low, the bill recommends that we extend the period from 50 to 78 years, so you can reduce the power rates even lower than that.

Mr. CARROLL. I think the gentleman misses the point. Year after year for over 10 years the Congress has appropriated money to take care of the expansion of this program, so by implication it has endorsed the change in the plans.

Mr. HARNESS of Indiana. By that very thing, by the expansion of the program, you are increasing the revenue. If it was right in the first place, it ought to stay that way now.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I cannot pose as having an intimate knowledge of this rather complicated problem involved in the reclamation undertakings. When we heard the description of the provisions of this bill before the Rules Committee, the thing that attracted my attention first was this particular provision for the extension of the amortization period to 78 years. In connection with that extension, I noted, as you all have, that compared with the current rate of interest charges, which is 3 percent, the rate has been reduced to 2½ percent, 2 percent to go into the Treasury, whereas none of the 3 percent went into the Treasury before, and one-half of 1 percent to be used by the Reclamation Service for assisting the project, I suppose, to meet unexpected emergencies. That feature of the bill I thought was excellent. I thought that was a distinct step in advance toward sound financing. It decreases the cost to the beneficiaries of the project by reducing the rate of interest from 3 to 2½ percent, and still leaves something in the hands of the Interior Department to the extent of one-half of 1 percent to be used for what might be termed emergencies.

I was somewhat dismayed, however, to find that when we decreased the burden to be placed upon the beneficiaries, we at the same time increased, from the standpoint of sound economics, the burden on the Federal Treasury by increasing the amortization period from 50 years, which has been the customary period, to 78 years. I do not pretend to be a highly educated economist. I have been in business for myself for some

years. I have yet to hear of a 78-year mortgage. It would be new to my experience or observation. I have never yet heard, or perhaps I am mistaken, of a bond running for 78 years. But there is another side to this which may not seem important to you. What I am interested in is that new projects shall be given fair consideration not only by the Committee on Public Lands of the House but by the Committee on Appropriations. The projects which are proposed in the future will be the more persuasive to the Congresses of the future if the amortization period is not beyond the normal period for amortization in business life. I fear, and I say this quite seriously, that this increase from 50 years, let us say, to 78 years in the amortization period will be a deterrent in the Committees on Appropriations of the future. I am not a member of the Committee on Appropriations nor of the Committee on Public Lands, but I have some ideas of the psychology of Congresses. It is going to be a pretty difficult thing for the proponents of a project to come before the Committee on Public Lands in the future, and especially the Committee on Appropriations in the future, and defend a project when the members of the committee will understand that it is going to be financed in a way that no other economic undertaking that I know of is ever financed in the United States. I honestly believe that the 78-year period will be a deterrent to new projects, and I ask the Members from the West who take such an interest in such things to bear that in mind.

Mr. MURDOCK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, before I get to the matter of the amendment, I want to mention two things. A moment ago when the gentleman from Colorado had the floor, the gentleman from Indiana asked regarding the project mentioned in Colorado, the Big Thompson project. I gathered from what the gentleman from Indiana said that he thought the Big Thompson project was one of those established on a finding of feasibility by the Secretary of the Interior. I was in Congress at the time and I know that the Big Thompson project was duly authorized by Congress. It was handled by the Committee on Irrigation and Reclamation while I was a Member, and passed the House and Senate, as other authorization acts were passed. I want to make that correction and make it clear that this is not a project which was brought in by the Secretary of the Interior on a finding of feasibility.

May I refer to one other matter? I listen always with great interest to my friend the gentleman from New York. He is a sage and a philosopher. He said he had never heard of a mortgage running for 78 years. I do not know whether I have heard of a mortgage running for 78 years, but I have heard of 99-year leases. I think it is possible to have a sound business contract extending over a long period of time.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I am glad to yield to the gentleman.

Mr. WADSWORTH. Does the gentleman put mortgages and leases in the same category?

Mr. MURDOCK. May I point out to the gentleman that they are both business contracts or transactions, and really are not entirely dissimilar. The gentleman from New York says that the 78-year period is likely to deter future projects. Let me call attention to the fact that irrigation is growing, therefore the law must be undergoing evolution. At the present time we have irrigated about 10,000,000 acres of land in the United States. There are 20,000,000 acres, or a little more, that could be irrigated by the total development of our water resources. But, mind you, the easy projects have already been developed. From now on we shall have more difficult ones. The very first project was the Salt River Valley in the State of Arizona. Roosevelt Dam, begun in 1906 and finished in 1911, named after Theodore Roosevelt and dedicated by him, was really the Father Abraham big dam in the reclamation cause, and that was a comparatively easy program of development as compared with those in the future.

We are going to have to have more time for repayment. I want to call attention to the fact that in the evolution of the law we have progressively increased and lengthened the period of repayment. Ten years was first set, then 20 years, 30 years, 40 years, and 50 years. Those are the repayment periods specified in earlier reclamation acts. Now we come here with an act that proposes a 78-year period for repayment and I feel the nature of the investment amply justifies the longer period.

A year and a half ago I was at Hoover Dam and went through the great power plant for the third or fourth time, taking part in a celebration. They were celebrating the tenth anniversary of the beginning of the production of power at Hoover Dam. Well we might celebrate it. Think of the Hoover Dam and the Grand Coulee Dam and what they did during the war in connection with the production of power which was so necessary. But it was pointed out that in 10 years of production the power plants at Hoover Dam had paid 25 percent of the cost. Probably it ought to pay out in 40 years, or thereabouts. Will that dam last any longer than 40 years? It will last a thousand years if properly taken care of. Is it good security?

When the great Coolidge Dam was built in Arizona, on the Gila River, named after the late President Calvin Coolidge, they put two giant eagles as ornaments on the south face of that dam. There they are, with outspread wings, 50 feet from tip to tip. A cartoonist pictured those two giant eagles and had one eagle saying to the other, "Steady Brother; the first thousand years are the hardest." I appreciate that picture and that fact. I think those eagles will be standing there on Coolidge Dam for a thousand years. Now, is it too much to ask that we have 78 years to pay for such a permanent structure?

The CHAIRMAN. The time of the gentleman from Arizona [Mr. Murdock] has expired.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the amendment proposed by the gentleman from Iowa [Mr. JENSEN] who was unfortunately called away from the floor, and is now offered for him by the gentleman from Indiana.

I agree with the gentleman from Colorado who said it is the nub of the bill. I completely disagree with the reasons given by the gentleman from Colorado for saying it was the nub of the bill. I am in complete disagreement with him today, as I was yesterday, that this necessarily would raise power rates, or has any direct relation to an increase or decrease of the power rates.

Those who read the CONGRESSIONAL RECORD this morning read the colloquy between the gentleman from Colorado [Mr. CARROLL] and the gentleman from Montana [Mr. D'EWART] in which the gentleman from Montana, a member of the committee, also said that the evidence did not support the statement that a reduction to 50 years would change or increase the power rates.

I again call attention to the fact that I was for 4 years a member of the Committee on Irrigation and Reclamation, and I say that that evidence does not support the statement that this would increase power rates; that that is just an unsupported statement.

Now, to the gentleman from New York who asked about the length of time, the present custom and regulation in the Department is that a 40-year period, plus a 10-year construction period, without the payment of interest, makes the 50-year total. There is one project authorized as high as 67 years. There is no project, to my knowledge, authorized beyond that, and the figure 78 has no connection with any existing practice in the Department. I therefore do not call it a compromise in any sense of the word. I think a compromise would have been something between 50 and 67 years.

With reference to existing projects like, let us say, Central Valley, so ably represented by the gentlemen from California [Mr. JOHNSON and Mr. GEARHART], who are here, the evidence has shown that project can pay itself out in less time than any time that has been discussed here, and therefore does not enter into the picture. The question of cost of operation being charged against the project is more pertinent than the number of years.

I think Congress could properly investigate the costs of operation of some of these projects. We would find they could pay themselves out in less time than now contemplated. The fact remains that aside from everything else there is no justification for 78 years, and that this House should certainly support the soundness of the proposal to set a limit at 50 years.

I think it is unfortunate that when any Member stands on the floor of this House to defend the soundness of the finances of the United States, the integrity of the financial condition of the United States and its projects, there

should immediately be raised a charge of for or against reclamation, of for or against some hypothetical Power Trust. Those of us who speak for this amendment are just as much interested in reclamation as those who speak against it.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to my distinguished friend from California.

Mr. WELCH. I hope my California colleague is not trying to convey the impression to the members of this Committee who are not as familiar with the mechanics of the laws or of the bill before us as some of us are, that the life of the project, whether it be 40, 60, or 78 years will cost the Government of the United States one additional penny.

Mr. PHILLIPS of California. They are reimbursable.

Mr. WELCH. They are reimbursable, but not out of the Public Treasury.

Mr. PHILLIPS of California. I can argue that point with the gentleman if he will get me additional time.

Mr. WELCH. This additional time of repayment does not cost the Federal Government one dollar.

Mr. PHILLIPS of California. I think it does; yes.

Mr. WELCH. It matters not whether those projects run, as I said, 40, 60, or 78 years, or to the life of the project.

Mr. PHILLIPS of California. It adds to it indirectly.

Mr. WELCH. It does not add to it indirectly, if I may say so.

Mr. PHILLIPS of California. All I am trying to impress upon the Committee today is that I think a limit of 50 years as suggested in the amendment of the gentleman from Iowa is a good limit.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield. Mr. PLOESER. I think it must be recognized by every one of us, whether it will cost the Government additional money or not, that no one can write a law today that will make any particular project live and be serviceable and useful 78 years from now. The law we write will not make it serviceable.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANGELL. Mr. Chairman, there are no Members in this House who are more interested in the well-being of the West than those who reported out this bill. I am a good friend of reclamation. I do not want to do anything that will interfere with its successful operation. I do not want the Congress to take a position that will prevent the people from securing low-cost hydroelectric power. Therefore it pains me to state that H. R. 2873, as amended, in my judgment could be administered so as to be injurious to a vast region of our Western States. It needs clarification and safeguards. It could be construed in a way to break faith with the commitments already

made and our agricultural economy. On page 4 of House report 880 on this bill it is shown how it came into being. With such a birth there is abundant opportunity for confused wording. From reading the bill I am convinced that we have such an ambiguous wording in the bill that no amount of amending on the floor can produce a safe result from the standpoint of the West or a proper return to the Treasury. It can be interpreted and applied in several ways. Confusion between the 78-, 50-, and 40-year periods mentioned in this bill is such that the interest-bearing power component period can be so staggered that the pay-out would be jeopardized. This could result in a power rate that would kill western industry and interfere with national defense. Such a rate could prevent a full return to the Treasury and could result in greatly reduced appropriation which would be a calamity to the West.

This bill will also likely injure western Army engineer projects. It goes into subject matter coming under the jurisdiction of the Public Works Committee. The use of the word "probably" throughout the bill nullifies any fixed formula that this bill purports to establish. This bill does not insure repayment on a sound basis. There has not been given opportunity for full consideration of the bill in order to secure safe and sound legislation. Therefore I feel that this bill should be given further study on the points I have raised either here in the House or in the other body.

Mr. LEMKE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, this is a very important issue and it is the important issue in this bill. I realize that there is some misunderstanding. It is true that my friend from Indiana says he wants to maintain the present condition. Then he ought to be for the 78 years, because the 78 years fill in the gap to make feasible those projects that would not be feasible since in the bill we take the 3 percent interest component away from irrigation and give 2 percent of it to the Treasury and retain only one-half of 1 percent where it used to be 3. This is the issue.

Again you are mistaken when you say that all projects are to run for 78 years. That section of the bill provides "78 years or the life of the project, whichever is the shorter." That is the language of the bill itself.

Now let us analyze things a little further to see whether the Government loses any money or not. These are reimbursable projects. If for 50 years the Federal Government received nothing but the interest at 2 percent it would have received back its original investment 100 percent. You cannot get away from that. Suppose no part of the principal is paid for 50 years, the Government would have back its original investment 100 percent and still would have the original obligation coming from the power project. Consequently, it is wrong to assume that the Government is going to lose money on this.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from California.

Mr. JOHNSON of California. Is it not a fact that private companies do this very thing? For instance, the large utility in northern California refinances its bond issues all the time. When they come to the end of the 20-year or 40-year period they refinance and issue a new set of bonds.

Mr. LEMKE. The gentleman is absolutely correct.

The reason many of these things may not be understood by Members who are not on the committee, and this is no reflection upon them, is because this is a technical bill. There were different viewpoints, but we have gotten together.

Mr. Chairman, I want to read now a letter I have just received from the National Reclamation Association, one of the most powerful and useful organizations in America. This letter is addressed to me and is dated January 21, 1948:

DEAR REPRESENTATIVE LEMKE: The National Reclamation Association is much concerned as to the disposition which might be made of H. R. 2873 by the House of Representatives today.

This legislation is of vital concern to the Nation as well as to reclamation development in the West, as was so well pointed out by you in the debate on this bill Tuesday.

You and your colleagues also called attention in the House debate to the fact that last spring the report of the Appropriations Committee of the Senate contained a recommendation pointing out that legislation on this particular subject should be passed at the earliest possible moment.

Reason for such legislation comes from the necessity of clarifying the reclamation laws and bring to an end the continued controversy which has come from diverse interpretations of those laws.

The Irrigation and Reclamation Committee of the House has had such legislation under consideration for a period of more than 3 years. The legislation is difficult and involved. However, after extensive hearings the Public Lands Committee reported this amended bill which is now before the House. The language of the bill has been most carefully studied and considered, not only by interested parties but by the committee which heard the bill. To amend it further would most likely only lead to further misinterpretation and prolonged complications. It should also be observed that further amendments may bring difficult questions of administration.

The annual convention of the National Reclamation Association, held in October 1947 after this bill had been reported by the Public Lands Committee, unanimously endorsed it.

It is my conviction, Congressman, that this legislation is of such national import that it is worthy of the support of every section of the country, and it is my earnest hope that it may be approved in its present form.

Sincerely yours,

HARRY E. POLK, President.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. PHILLIPS of California. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from California.

Mr. PHILLIPS of California. I am not clear on the gentleman's statement that you have to have 78 years because of the change in the interest component. How can the gentleman say that when the Solicitor's opinion was not handed down until 1944 and these projects were approved before that? It is perfectly evident to me that 78 years is not essentially a figure involved in the approval of the project.

Mr. LEMKE. I would say that reclamation is growing. We are spending millions of dollars in the Missouri River Basin alone; I think something like two hundred or three hundred million dollars, and there are many new projects connected with that that are absolutely essential to make it feasible.

These are perfectly sound, the same as a loan by the Federal land banks. That is feasible if they give me enough time to pay it, but if they do not give me enough time, it is not feasible. But still it is perfectly sound. Therefore, in view of the fact that the private corporations keep on renewing many of their loans, running far more than 78 years—some of them run up to 100 years or more—I feel there can be no legitimate objection to 78 years.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when you go out West and look at those dams, if you know anything about depreciation, you will not come to the conclusion that they are going to disappear within a few months or a few years. If we are building dams out there and putting our money into them with the idea that they are not going to be any good 50 years from now, you better stop your building. If you ride over New England, you will find frame homes in perfect condition that have lasted anywhere from 75 to 125 years. You can go into the South and see log cabins that have been standing for 75 to 80 years, and still habitable, and if you put a little new plaster on the walls, they will probably be in good shape for another 50 years.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. McDONOUGH. That certainly is not the point of this amendment.

Mr. CRAWFORD. Oh, yes. I will make another point. That is just one point.

Mr. McDONOUGH. I think in fairness the gentleman should state it is not that the project is no longer—

Mr. CRAWFORD. Just a moment. The gentleman has not heard what I am going to say, so I decline to yield further.

Mr. McDONOUGH. It is a question for the Government to get out of the picture so that we can loan money on other projects.

Mr. CRAWFORD. I did not yield further.

Now, we have another point. You are proposing to sell water and power. You

are proposing to sell it to them. If you sell goods and services to the American people, you generally have to sell them at a price that the buyer is willing to buy; at a price that he is willing to pay. So, when I go out here and build a factory or to buy an automobile or a truck, I figure on what the cost of the truck is and how long it will last me and what it will be worth to me while I am using it, and if the price is out of reach, I do not buy it. So, you can go out here and make a study and see whether or not the project is feasible from an economic standpoint; that is, whether or not it will produce something that you can sell at a price which the market will absorb. You have two propositions. You have the life of the project and you have the proposition as to whether or not the customer can afford to pay for it. Now, that is another point I wanted to make before the gentleman drew a conclusion about what I was going to say. If the project is going to depreciate and disappear within 50 years, certainly you do not want to extend your time to 50 or 78 years. If it is going to stand there 100 years and you can sell its products to the people and let them pay out on the basis of 78, that is just as sound as any other project we have in the United States. You could depreciate a factory so rapidly you could not compete in the market.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. Going one step further, you do not sell those power projects to the people. When you get through paying for them under this program, they still belong to the Government. The Government is building them for the use of the people and requiring them to pay for them in 50 years when, as a matter of fact, when they get through paying for them they still belong to the Government and not the people.

Mr. CRAWFORD. Now, let us get down to the question of changing the time from 67 to 78 years by mutual consent, you might say. The people who have done the calculating as to how this thing will work out from an amortization standpoint say this, and I am now referring to the Assistant Secretary of the Department of the Interior in his statement to a member of the committee, referring to the 67-year proposition which had previously been established. The Department accepted that.

This was not unacceptable to the Department, in the light of the fact that it was coupled with provision for application, in aid of irrigation, of all of the interest returned on the power investment. However, when it appeared that only a portion of the interest returned on the power investment might be used to help pay off irrigation costs, then it became necessary to extend the period for amortization of power costs, if rates were to be kept at a level that would permit the disposition of large blocks of power.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. You cannot continue to run Grand Coulee and Bonneville on an economically feasible basis unless you sell those big blocks of power. Go up there and look at the situation. The transmission lines are tied in like a piece of fabric through your whole Pacific Northwest. Seattle, Tacoma, Portland, and the other towns are tied into the piece. Your communities are all tied together. You are today furnishing 65 percent of the kilowatt hours used by all the people. It is accepted by everybody. The people who own the private transmission lines and the private power companies are just as agreeable to this as the people who have no financial interest whatever in the transmission or the power plants. You have made it a part of the economic structure of that section of the country, and you have to provide rates which will take care of the stand-by call for big blocks of power at a rate the public can afford to pay. That is the economic fact you are up against. So the Assistant Secretary of the Interior says:

It became necessary to extend the period for amortization of power costs if rates were to be kept at a level that would permit the disposition of large blocks of power. The compromise, therefore, included extension of the amortization period from the 67 years you had originally proposed to 78 years. By formal communication from the Commissioner of Reclamation to the chairman of the Public Land Committee, the 78-year amortization period was specified as the minimum which the Department could approve in the light of the limitation proposed in the division of the interest rates.

It is a question of calculations as minute as those which determine the mortality tables in our insurance contracts between private holders of insurance policies and the insurance companies themselves. It comes down to the cold-blooded economic facts. You should not disturb this situation here by this amendment.

Mr. ROCKWELL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. HARLESS].

Mr. HARLESS of Arizona. Mr. Chairman, a great deal has been said here concerning whether or not the Government is going to lose money in permitting the extension of these projects to a period of 78 years. I can point out to you where the Government will actually lose money if you do not permit the extension of the projects to a longer period than 50 years. When many of the projects which are now under construction were authorized, the cost of construction was much lower than it is now. It has taken 10 years to complete some of these projects. But when the authorization was made, the labor and

material costs and other items of cost of construction were low compared to what they are now. To fix the period of amortization at 50 years for these projects which were started, let us say, 10 years ago, or 8 years ago, or which were authorized for a period of time 7 years ago, would be manifestly unfair and unreal. Let us take the Big Thompson project in Colorado, as an example, where the cost jumped from \$55,000,000 to over \$100,000,000 purely because the cost of construction went up. To amortize that project over a period of 50 years would put the project out of business. The Federal Government has already invested up to \$50,000,000 or more on that project. It would mean the Government would lose that investment. If this project is held to a 50-year amortization period it will fail. This is not an expenditure; it is an investment of money. The Government in 50 years on the interest alone will receive its return, if you permit the projects to go forward in a healthy condition. All you want to do is to get the Government's money back and to make these particular projects healthy. If the Government is going to come out on this proposition, we must make the project healthy. Anyone who will fight to limit the period of time so as to prevent a project from becoming healthy is not in favor of irrigation and reclamation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HARLESS of Arizona. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Coming from a district which has no reclamation project in it, but always having voted as I felt for what was in the national interest and not from a sectional viewpoint, it seems to me that the argument made by the gentleman from Michigan [Mr. CRAWFORD] is a very powerful and convincing one on this particular question. Whatever doubts I may have had prior to that, I want to state frankly that the gentleman from Michigan [Mr. CRAWFORD], in his clear and analytical way, dissipated them. Some of these projects that are being built are going to last for hundreds of years. They will serve a public purpose. I feel that my people in New England will receive benefits indirectly from these great projects. That is a matter of national concern. It seems to me that the convincing logic of the various speakers, and particularly spearheaded by the gentleman from Michigan [Mr. CRAWFORD], has convinced the Members that we ought to support the committee. Bear in mind that this is a unanimous report of the committee, and they are all hard-headed individuals representing all shades of thought and opinion.

Mr. HARLESS of Arizona. I wish to thank the distinguished gentleman from Massachusetts. He has shown wise and fair judgment in his actions. We from the West wish we had more eastern Congressmen who would exercise such broad and forward-looking viewpoints.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I do not believe there is a Member of Congress who can look ahead 78 years. But every Member does know that the 78-year amortization period will have the effect of loading more of the cost onto our posterity.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Does the gentleman think anyone can look ahead to infinity? The fact is that the present law leaves it to the discretion of the Secretary of the Interior without any limitation as to the number of years. It is his judgment as to what is a reasonable term of years. He looks ahead to infinity before prescribing the rates.

Mr. SMITH of Ohio. Are you suggesting that he ought to make it 100 years or 150 years?

Mr. CASE of South Dakota. No, I am not. But I am saying that under the present law he can. This bill proposes to change the law by placing a limitation when at the present time there is no limitation.

Mr. SMITH of Ohio. The proper answer to your position would be to make it 50 years, if you want to place a limitation, as you suggest.

Mr. CASE of South Dakota. Then the debate should be on what would be reasonable economics.

Mr. SMITH of Ohio. I do not believe that changes my proposition in the least. I still contend that the burden will fall largely upon our posterity. Of course, that is quite in keeping with the mentality of the Congress—charge it to future generations.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. SMITH] has expired.

Mr. FERNANDEZ. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from New York [Mr. WADSWORTH] asked the gentleman from Arizona [Mr. MURDOCK] a question, rather in jest I think. He asked him if he thought a 99-year lease could be compared to a mortgage such as they were talking about here. When you come to think about it, that is exactly what it is, a lease and not a mortgage. When the people who are paying the power rates sufficient to reimburse the Government for the principal and interest, have paid out the principal, the Government still owns the plant. As a matter of fact, they have not paid a mortgage, else they would own the plant. They have paid on a lease for a definite term of years that we have provided, at a power or rental rate sufficient to repay the Government in that period of years, but after it has paid out the Government still owns the project and can continue charging the same rate.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. JONES of Alabama. Is it not inescapable that if they put a limitation of 50 years in here we will have to raise the electric rates on some of these projects?

Mr. FERNANDEZ. Undoubtedly. I do not have the record before me, but you will find the record is replete with evidence to that effect. On some projects

we will have to raise the rates considerably; not only that, but charts were made, both by the proponents and the opponents of this matter, and they are in the record. What we started to do was to amend the 3 percent and see to it that the principal and interest were paid. Then they asked us to put in a limitation of 50 years. That was entirely too short. Some projects cannot be built and paid for in 50 years. They just would not be built. As to Congress being reluctant to allow more than 50 years, as stated by the gentleman from New York, perhaps that is the reason the Bureau of Reclamation has never asked for more than 50 years or 69 years, and the latter was in one case only. So they would no doubt continue to do the same thing under this law, and will ask for an additional period only where absolutely necessary. But undoubtedly the Bureau of Reclamation will continue to try to get projects to pay out in 50 years where possible.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. MANSFIELD. Is it not true that the point in this legislation is not so much the rate of the interest or the period for which these projects will repay themselves as it is the fact that primarily this is helping to develop the country and looking after the welfare of the people?

Mr. FERNANDEZ. Undoubtedly. There are some of these projects now that simply cannot be built unless this Government builds them; unless the Government invests the money, and leases it to the people at a rate which will eventually pay back the Government the money it has invested. That is all the law provides. That is all that is required. But the Government still owns the plant when it is paid for. Under the circumstances, I do not think we are out of order in considering it different from a mortgage, in giving a longer period of time in such cases where it is necessary. As far as I am concerned, I think the life of the project should be the limit. But members of the committee finally compromised on this 78-year period. I hope that this committee will back up the Committee on Public Lands who studied this matter so seriously and so carefully over such a long period of time.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

The gentleman from South Dakota [Mr. CASE] is recognized for 4 minutes.

Mr. CASE of South Dakota. Mr. Chairman, I think it will help the Members if we understand what the present law provides, and compare that with what the pending bill proposes.

At the present time there are two agencies of the Government that build dams for power; one is the Army engineers and the other is the Bureau of Reclamation. They are the two agencies which construct dams that produce hydroelectric energy.

What is the present law on power charges?

I have in my hand the Flood Control Act of 1944—Public Law 534, Seventy-eighth Congress. It prescribes rates and how they shall be fixed on power dams built by the Army engineers where the power is sold by the Secretary of the Interior. The present law states:

Sec. 5. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects, shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.

The pertinent sentence is this one:

Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years.

It will be noted there are really three components to figure in determining rates—the cost of producing and transmitting, including amortization of capital investment. This means operation and maintenance in reclamation language, and construction charges with interest to amortize the capital investment.

In other words, the law on Army engineer projects is that the power sold by the Secretary of the Interior from Army engineer dams must keep up operation and maintenance and repay construction charges with interest, but has infinity as to the number of years within which the construction costs may be repaid. The law—read it for yourself—does not say 50 years or 75 years. It simply says "over a reasonable period of years."

And what is the law with respect to power from projects constructed by the Secretary of the Interior and the Bureau of Reclamation?

I call your attention to the existing law, which you will find on page 6 of the committee report, section 9 (c), the latter half of which, dealing with power, reads as follows:

Any sale of electric power or lease of power privileges, made by the Secretary in

connection with the operation of any project or division of a project, shall be for such periods not to exceed 40 years and at such rates as, in his judgment, will produce power revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost, interest on an appropriate share of the construction investment at not less than 3 percent per annum, and such other fixed charges as the Secretary deems proper: *Provided further*, That in said sales or leases preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof. Nothing in this subsection shall be applicable to provisions in existing contracts made pursuant to law for the use of power and miscellaneous revenues of a project for the benefit of users of water from such project. The provisions of this subsection respecting the terms of sales of electric power and leases of power privileges shall be in addition and alternative to any authority in existing laws relating to particular projects. No contract relating to municipal water supply or miscellaneous purposes or to electric power or power privileges shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes.

So the present law provides three components for the power from reclamation-built dams. First, enough to cover an appropriate share of the annual operation and maintenance; second, interest on a proper share of the construction investment of not less than 3 percent, and third, such other fixed charges as the Secretary deems proper.

The present reclamation law then places no limit as to the number of years for the repayment that the Secretary of the Interior provides. Not only that, it does not even require the Secretary of the Interior to get back the cost of construction. He only has to get back operation and maintenance and 3 percent interest.

This point in this bill, as I understand its history, came up because someone had ruled that that was all the Secretary had to provide, that he did not have to provide any more than the collection of operation and maintenance, plus 3 percent, perhaps for infinity. And here is the simple wording of the act to support that interpretation.

There is no requirement that the Secretary get back construction costs. The law merely says "And such other fixed charges as the Secretary deems proper." If he deemed no other fixed charges proper, he would assess none and there was no requirement that he ever get back any construction other than a minimum of 3 percent interest. The only reference to years is the limitation of 40 years on the life of a sales contract to a power distributor or consumer; that has nothing to do with the time for repayment to the Government. So, again there is no time limit within which repayment must be made, only infinity for interest.

The bill before us proposes to change all that and requires that there shall be four components in the charge for power. First, operation and maintenance; second, the return within 78 years of the cost of construction, plus interest at 2½ percent. It combines those two components in one clause (2), construction costs coming back within 78 years

plus 2½ percent interest; and then finally in clause (3) a further interest charge of one-half of 1 percent may be made and the funds from that would be used to help irrigation.

In other words, the bill is infinitely better than the present law and the committee is to be commended for having put some brakes on the situation.

Under permission given in the House, I will insert the language from the bill for convenient comparison with the existing law which I have cited:

Any sale of electric power or lease of power privileges made by the Secretary in connection with the operation of any project or division of a project shall be for such period, not to exceed 50 years, and at rates as in his judgment will produce power revenues which, together with power revenues from all other sales or leases or power privileges, will be at least sufficient to cover (1) an appropriate share of the annual operation and maintenance cost, including reasonable provision for replacements; (2) the return, within 78 years from the date upon which each feature becomes revenue producing or the useful life of such feature, whichever may be the shorter, of an appropriate share of the construction investment properly allocable by the Secretary to commercial power, together with interest on the unpaid balance at a rate of not less than 2½ percent per annum; (3) the return, without interest, within a reasonable period of years not exceeding the useful life of the irrigation features, and with respect to each irrigation block, in a period conforming so far as practicable to the period within which water users are required to repay their share of the irrigation costs, of that share of the investment found by the Secretary pursuant to subsection 9 (a) hereof to be properly allocable to irrigation but assigned for return from net power revenues: *Provided*, That the power revenues to be applied toward the fulfillment of the obligation to return that share of the investment found by the Secretary pursuant to section 9 (a) hereof to be properly allocable to irrigation but assigned for return from net power revenues may include no more than one-fifth of the revenues derived from the interest component of power rates in addition to any and all sums otherwise assigned for such purpose from power revenues: *Provided further*, That all revenues derived from the interest component of power rates not so assigned shall be accounted for as interest and shall, together with all other moneys so required to be returned to the United States, be returned to the United States as provided by the act of May 9, 1938 (52 Stat. 291, 318); and (4) such other costs and fixed charges as the Secretary deems proper. In said sales or leases preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof. Nothing in this subsection shall be applicable to provisions in existing contracts, made pursuant to law, for the use of power and miscellaneous revenue of a project for the benefit of users of water from such project, and the provisions of this subsection respecting the terms of sales of electric power and leases of power privileges shall be in addition to and alternative to any authority in existing laws relating to particular projects. No contract relating to municipal water supply or miscellaneous purposes or to electric or power privileges shall be made unless in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The gentleman from Wyoming [Mr. BARRETT] is recognized for 4 minutes.

Mr. BARRETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe we should know precisely what the situation is at the present time as far as the law is concerned. The gentleman from Indiana made the statement that these projects have a 10-year development period and then they are required to be paid out at the end of a 40-year period thereafter. He is mistaken about that. The gentleman from South Dakota has stated the situation precisely as it exists. I can see where this confusion arises. It is true that as far as that part of the cost of construction that is to be repaid by the farmers is concerned, there is a 10-year development period and the farmer is then required to pay the cost of construction allocated to him over a period of 40 years without interest.

Now, what is the situation as far as the power portion of the cost of construction is concerned? As the gentleman from South Dakota has pointed out, the law at the present time requires that that portion of the construction cost allocated to power must be repaid over a reasonable period of years, limited only by the useful life of the project.

What is the effect of the pending amendment? The effect of the gentleman's amendment is to prejudice the irrigation farmer. It has no effect whatsoever on the power end of the project, but it is a terrific handicap to the irrigation farmer. That is all it is.

I may say to the gentleman from Indiana that under the law as it exists at the present time and under the practice followed by the Bureau of Reclamation, the great majority of these power projects are paid out over a period of 60 years and not 50 years. So his amendment is really a restriction on the practice that exists at the present time.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. The gentleman knows that all of the projects that have been authorized thus far have been based on a policy of 50 years' amortization; does he not?

Mr. BARRETT. No; I do not know that.

Mr. HARNESS of Indiana. It is not going to cause any more hardship to continue that practice; is it?

Mr. BARRETT. I do not agree with the gentleman.

Mr. HARNESS of Indiana. They have not suffered in the past. Why does the gentleman now say it is going to cause them a great deal of harm?

Mr. BARRETT. The gentleman is mistaken. The projects are estimated so far as cost is concerned over a period of 50 years in the beginning, that is true, but as far as the actual pay-out is concerned the average pay-out is 60 years. So the gentleman is absolutely mistaken when he says it does not affect the irrigation farmer.

Now, why does it affect the irrigation farmer? The fact of the matter is that irrigation can only pay a portion of the cost of constructing its part of the project. Power must pay the balance. If we provide that power can repay its portion of the cost over a period of 78 years, it is a certainty that it can pay more than if we require it to repay the cost of construction of the power installation over a period of 50 years.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

All time has expired. The question is on the amendment offered by the gentleman from Indiana [Mr. HARNESS].

The question was taken; and on a division (demanded by Mr. HARNESS of Indiana), there were—ayes 48, noes 59.

So the amendment was rejected.

Mr. ROCKWELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DONDERO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2873) to amend certain provisions of the Reclamation Project Act of 1939, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Evening Star, January 21.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Detroit Teachers Association.

Mr. KILBURN asked and was given permission to extend his remarks in the RECORD and include a statement by his colleague, the gentleman from New York [Mr. GAMBLE].

Mr. DAWSON of Utah asked and was given permission to extend his remarks in the RECORD and include a statement he made before a Senate committee.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. CASE of South Dakota. Mr. Speaker, in revising the remarks I made in Committee this afternoon, I ask unanimous consent that I may insert the exact provision of the law to which I referred.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, in connection with the remarks I made in Committee this afternoon I ask unanimous consent to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

NATIONAL HEART ACT

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Speaker, I take this moment simply to call attention to the fact that I am today introducing a piece of legislation which I conceive to be of far-reaching importance to the people of America which is entitled and may be cited as the National Heart Act. It relates to an effort on part of those interested in the public-health activities of the United States to do some reclaiming of the human reserves of these United States. We have spent a lot of time talking about reclamation in the last few days, and the people of America are much interested in what this Congress is going to do in initiating and carrying forward the program which we started last year to provide adequate research into the entire field of cardiovascular diseases. This bill is the next step in implementing that program that the people of America are demanding.

The SPEAKER. Under previous order of the House, the gentleman from Vermont [Mr. PLUMLEY] is recognized for 20 minutes.

POLITICAL PHILOSOPHY

Mr. PLUMLEY. Mr. Speaker, some years ago I compiled and revised a pamphlet which I called *The Making of a Congressman*.

I have made it a practice to see that each newly elected Member has had a copy. As a result many have sought to amplify the information contained in the pamphlet by seeking further information from me.

I have found that what bothers the newly elect most is to know how to find out how to vote; what and how much attention should he pay to pressure groups, so-called, or/and to hostile criticism of his votes; and a half dozen other matters growing out of the three questions above suggested. So when they have come to me, after I have tried to tell them the sources of information on which they can rely, I have called their attention to the statement of Edmund Burke relating to the duties and obligations of a representative of the people, and to the philosophy of Benjamin Franklin, antedated by that of Epictetus, and followed by that of Abraham Lincoln.

I have been asked to prepare and make this speech and later to have it made a part of *The Making of a Congressman*, which latter I intend to do.

EDMUND BURKE

Edmund Burke said:

Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs, and above all, ever and in all cases, to prefer their interest to his own.

But, his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you; to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the Constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

BENJAMIN FRANKLIN

Benjamin Franklin said:

We must not in the course of public life expect immediate approbation and immediate grateful acknowledgment of our services, but let us persevere through abuse and even injury. The internal satisfaction of a good conscience is always present, and time will do us justice in the minds of the people, even of those at present the most prejudiced against us.

EPICTETUS

Epictetus said, long before that:

Is a little oil spilt,
A little wine stolen,
Say to yourself—
This is the purchase
Paid for peace, for
Tranquility, and nothing
Is to be had for nothing.
Be content to be
Thought foolish and stupid.
Do not wish to be thought
To know—and though
You appear to others
To be somebody—distrust
Yourself!
Remember that
You are an actor
In a drama of
Such a kind as the
Author pleases to make it.
If short, of a short one;
If long, of a long one.
It is your business
To act well the character
Assigned you; to choose it
Is another's.

POLITICAL EXPEDIENCY

Then I have volunteered out of experience to venture the statement that there are no such words as "political expediency" in the vocabulary of anybody who "hews to the line of right," does and votes as he sees the right, let the chips fall where they may.

ABRAHAM LINCOLN

And finally, we all may well listen to Lincoln, who said:

Let us have faith that right makes might, and in that faith let us to the end dare to do our duty as we understand it.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to revise and extend his remarks and include a letter.

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

A PRELIMINARY REPORT ON A SURVEY AND STUDY OF THE POSTAL SERVICE

Mr. REES. Mr. Speaker, the House Post Office and Civil Service Committee has unanimously approved a preliminary report to this House, summing up activities of the committee pursuant to House Resolution 176. This resolution, among other things, authorized and directed the committee to conduct a survey and study of the postal service. When this study

was directed, Members of this House pointed to the need for a survey as a preliminary to action on the rate-revision bill recommended by the Post Office and Civil Service Committee. Hope was expressed by some that ways and means might be found whereby the entire postal deficit of \$300,000,000 annually might be resolved by economies.

This report represents the combined efforts of the members of the committee who have diligently concerned themselves with this problem and approached it in a constructive manner. I want again to commend the membership of our committee for their fine cooperation in dealing with this important problem. We have pointed to substantial savings. Our committee estimates that, based upon its findings, there could be savings in the amount of \$50,000,000 annually if certain changes are made in organization, procedures, and use of modern mechanical equipment.

The suggested savings of an estimated \$50,000,000 are considered in such items as replacing postal notes and money orders by a prepunched card; by complete utilization of space, reduction of deficiency time, and using less expensive forms of transportation in the railway mail service; elimination of unnecessary special-delivery forms and clerical work; the proper allocation of the air-mail subsidy; simplifying the payment of insurance claims; and items included in additional new services.

All these items are discussed in the preliminary report and I commend them for your study and consideration. I believe there are a number of changes in mechanization in the handling of mail that would result in annual savings of several million dollars. Such changes, of course, would require time to procure equipment, train the employees, and amortize the initial cost of such equipment.

It should be pointed out that even though savings can be made in line with the committee's report, costs of the postal service are rising rather rapidly. For example, since this study was authorized the Interstate Commerce Commission has granted an interim increase in payments to railroads to carry mail in the amount of \$37,000,000 annually. At the same time there is a continual loss of \$9,000,000 per month in the delay in the enactment of the postal-rate increase. This deficiency is, of course, charged to the Federal Treasury.

The members of the Post Office and Civil Service Committee have spent considerable time and effort since the end of the first session in exploring every possible avenue of savings. We have proceeded with this study with a minimum expenditure of funds by utilizing to the maximum the committee staff, the facilities of the General Accounting Office, and the traffic engineers on the staffs of large mailers. We are supplementing this by the assignment of specific problems to management engineers.

Seven of the largest post offices have been visited by members of the committee and the staff as a means of seeking out where economies might be made. They have discussed postal problems and

ideas for improvements with local postal officials and employees, and held public hearings at which large mailers, editors and publishers, and the general public participated. These visits also served as a means of checking, on the ground, recommendations which were being considered.

Fifteen subcommittees were appointed to consider matters of general concern to the postal service and to determine within their respective jurisdiction:

First. What new services could be added which would pay their own way and possibly show a profit?

Second. What charges are being assessed against the service not properly the responsibility of the service?

Third. Where could economies be placed into effect?

Fourth. Where could the service be improved?

We have found several answers to these questions. Answers that I believe you Members of the House, should know. Answers that I should like to outline briefly.

For every dollar of indemnity paid on insured mail, it is costing the Post Office Department \$5.50 in administrative and investigative expense.

In one Federal building where the postal service is paying \$561,000 annually for maintenance and custodial services, less than 7 percent of the space is occupied by the post office.

There is a need for better controls over subsidy payments to air lines for carrying air mail. For example, one air line was paid seven times as much money in 9 months of 1947 than it received in all of 1946, and in this 9 months carried 200,000 less pounds of air mail than in 1946.

Under the current rate set up for mail pay, railroads are paid on a round-trip basis and it is more profitable for them to send the cars back empty than to fill them with nonpostal commodities and freight. This empty space is paid for by the Department at the rate of over \$18,000,000 annually.

This year in the old-line departments and agencies—excepting the Department of National Defense—the use of penalty mail increased almost 4,000,000 pieces over last year.

The results of the surveys of the large post offices, subcommittee hearings and digests of material submitted for the consideration of the committee, appear in a summarized form at the beginning of the preliminary report of the committee.

I am including this summary in the RECORD for the information of the Members.

Again, let me suggest that I believe Members of the House will find the information in this report to be worthy of your attention in the consideration of problems relating to the postal service.

COMMITTEE SURVEYS OF SEVEN OF THE LARGEST POST OFFICES

Surveys were made by members of the committee, and the committee staff, at the following large post offices: New York City, Chicago, San Francisco, Dallas, Houston, Minneapolis, and Los Angeles. Similar surveys and studies were scheduled at New Orleans and Nashville, but were postponed because of the special session of Congress. With

respect to the committee surveys of the seven post offices referred to above, the findings of the committee are as follows:

1. Mechanization of the facing, primary, and secondary separation operations will result in savings not only in these operations, but in reducing the costly separation of mails in transit.

As an example of what might be anticipated in mechanization of primary and secondary separation functions of the Post Office Department, one machine, manufactured under a foreign patent, will sort 3,000 items per man-hour as compared to 1,200 to 1,600 items per man-hour by hand.

This machine also has the following advantages:

(a) As already stated, by using the machine 3,000 items may be sorted per man-hour as compared to the speed of sorting by hand which is 1,600 articles per hour for preliminary sorting and 1,200 for final sorting.

(b) In the case of mechanical sorting, mail can be sorted for some hundreds of destinations in one single operation by less experienced personnel.

(c) Owing to the fact that the machines automatically collect in one receptacle all articles for the same destination though dealt with at different keyboards, further collection becomes unnecessary. This greatly simplifies transport, and precludes errors in dispatch as the result of inadvertently combining batches of letters for different destinations.

(d) The postal matter to be sorted is conveniently placed within the operator's reach. Each letter is automatically carried to the same spot in front of him, a slight movement of the hand being all that is required to deal with each article.

(e) The number of articles sorted is registered by a counting apparatus, thus affording an additional means of checking the output of each operator.

(f) Each article sorted is so marked that it is easy to trace by whom a sorting error has been made.

(g) A reduction in the number of appliances used, tending to simplify the task of supervision.

(h) The number of supervisors can be reduced because the output of each sorter is automatically registered and fewer sorters are required.

(i) In the case of the sorting installation, the letters are dropped into a slot from which the receptacles are at some distance. Consequently, the emptying of the receptacles in no way disturbs the staff operating the machines.

(j) The machine sorts the articles into receptacles, automatically stacking them in regular piles. In the case of sorting by hand this stacking depends on the individual sorter's sense of neatness.

(k) In the case of a sorting machine, the keyboard represents the area of operation. This can easily be lighted artificially. To obtain a similar effect in using a sorting case, each pigeonhole would have to be artificially lighted.

2. Replacing the money order and postal note by a machine-record card, key-punched for electrical accounting at the time of issue, will substantially reduce the \$35,000,000 annual loss in these items.

3. One large post office maintains daily records of operating costs, which are used for management purposes. Savings directly attributed to these data are far in excess of the cost of keeping such records. Some post offices collect cost data by periodic checks. These data have been helpful in determining the costs of handling the various classes of mail. The collection of both types of data on a standard method basis at all large post offices would be advantageous from the

standpoint of management control and comparing the unit costs of such post offices, so that waste and deficiencies may be found and corrected.

4. The Department experiences a large loss resulting from the present method of paying for return movements of mail storage cars at the same rate as is paid for outgoing movements. The procedure for making such payments is established by the Interstate Commerce Commission. If it is to be continued, consideration should be given to a more complete utilization of this space for mail and for other Government shipments. (See letter to Comptroller General, appendix 1.)

5. The Post Office Department provides custodial and maintenance services for other Government agencies in its buildings. The cost of these services, which is paid from post office operating funds, amounts to millions of dollars. In New York City, the annual cost is \$1,000,000, and in Chicago, \$600,000. In Los Angeles, the Post Office Department pays \$561,084 annually for the maintenance of the main post office building although postal facilities utilize only 7 percent of the entire space of the building.

6. The storage and disposition of unclaimed parcel post at the larger post offices is a major problem. Better enforcement of packing requirements at the point where parcel post matter is accepted for mailing will reduce this cost.

7. There is excessive loss in insured mail due largely to investigations and record keeping. In 1947 the expenditures for insured mail were \$17,200,000; while the actual amount paid out in indemnity was only \$2,641,687. In other words, the clerical and administrative cost of insured mail was 6.6 times as much as the actual indemnities paid.

Authorizing settlement of claims below \$10 on insured mail at the office of entry would eliminate much of the excessive administrative cost and place the insured mail on a paying basis, and eliminate the annual loss of \$4,530,000 in handling insured mail.

8. Mail bags which are in short supply are accumulated at large post offices because they are in need of repair. The only repair point is Washington, D. C. Decentralizing this operation would save in transportation and repair cost, as well as put into service many thousands of needed mail bags.

9. The periodic inspection of post offices by postal inspectors amounts to a routine check of the observance of postal laws and regulations. These inspections do not include investigations to determine how to improve the operation of the post offices to secure better efficiency and more economy. Detailed surveys of large post offices for this purpose were discontinued 7 years ago and have not been resumed. (See letter of Postmaster General, appendix 2.)

10. Preparation of individual lists of special delivery items on Post Office Form 3959 takes approximately 20 percent of the special delivery messengers' time and the information is seldom used. The elimination of this form would result in a saving of \$350,000 annually in the postal service.

11. Operating buildings of the Post Office Department, as well as the railroad terminal buildings, are not constructed with loading docks and other facilities which are required to utilize fully, modern mechanical equipment such as lift trucks, tow motors, and the like. Buildings of more recent design, such as the postal concentration center used by the New York Post Office for overseas mail, have wide ramps and floor arrangements permitting full use of mechanical equipment.

12. Savings would result if, in addition to seniority, postal employees were required to possess minimum qualifications before being

transferred to positions within the Post Office Department.

13. Only 7 of the 51 central accounting offices possess electrical accounting machines. This causes delay and additional expense since money order data must be transferred to points where electrical accounting machine units are located.

14. The 51 central accounting offices in the postal service receive funds collected by the post offices in their area. This money is counted many times after it is received by the central accounting office. Savings would result if these funds were counted at the opening unit and an interoffice receipt system used.

15. Valuable floor space is wasted by poor building design and inadequate lighting.

16. Some equipment, e. g., parcel-post slides, is improperly designed and use of it results in damage to parcels and excessive rewinding costs.

PRESENTATIONS OF LARGE MAILERS

Large users of the mails who appeared at the rate-revision hearings were invited to submit for the consideration of the committee such suggestions as they deemed appropriate. It was contemplated that the traffic managers and postal specialists on the staffs of these organizations would draft for the use of the committee, detailed suggestions as to improvements which could be made in the postal service and practices which have proved economical in private industry which could be adapted to the postal operation.

At the time a subcommittee visited the Chicago Post Office, conferences were held with the National Council on Business Mail and the Postal Committee of the National Industrial Traffic League. Both organizations circularized their members to obtain their views on how improvements and savings could be made in the postal service. A summary of the suggestions made as a result of this action appears in appendices 3 and 4.

The transportation committee of the National Association of Magazine Publishers presented its views as to what could be done to improve the transportation methods of the postal service. This presentation appears in appendix 5. This organization will later present memoranda covering other phases of postal operations.

Correspondence containing suggestions for improvement in postal service has been submitted by the American Newspaper Publishers Association. This letter appears in appendix 6.

The suggestions made in these presentations will be thoroughly examined.

AIR MAIL

Hearings on the general subject of air mail were held by a subcommittee on December 10, 12, and 15, 1947. At these hearings it was testified that:

1. The scheduled air lines receive subsidies in the form of air-mail pay. Of the \$25,000,000 these lines will receive for carrying air mail in 1947, in excess of \$15,000,000 may be considered a subsidy.

2. Payments to the air lines are based upon need rather than the service performed. Such a system does not place a premium on efficiency. In commenting on this situation, Secretary of Commerce W. Averell Harriman stated:

"I believe that we should critically examine the habit and method of subsidizing air carriers. We should evaluate the situation to see if there is not a dulling of incentive resulting from the method of fixing of payments. I fully recognize the current need for a sympathetic—and even generous—attitude toward the needs of the air carriers, but we must not get into cost-plus habits in industry. When increased costs do not affect profits, it seems reasonable to presume

that some of the incentive toward efficiency and progress will be lost."¹

3. A new group of carriers carrying only freight, and not eligible for air-mail subsidies since they are not certificated carriers, has become involved in a rate war with the scheduled carriers. Many of the scheduled carriers have reduced air freight rates in the commodities and at the shipping points available to the air-freight carriers, while at the same time they have applied for increased air-mail pay. This appears to place the Post Office Department in the position of financing a rate war between two groups of air carriers.

4. Separation of the amount of subsidy paid domestic air lines from purely compensatory payments for carrying air mail will correct many evils in the existing situation.

5. In paying the air-mail subsidy, the Post Office Department is called upon to finance inefficient management, parties, hotel suites, entertainment, excessive public relations costs, and to finance competition between existing scheduled carriers.

6. There is a real demand for an air parcel post service by the air carriers and the public. However, such service must be made available to the public at reasonable rates to attract volume. Air parcel post rates should not be affected by the subsidy element and such service should be made available from its inception at points where sufficient volume of air parcel post will be generated to warrant reasonable rates. It is estimated that 144,000,000 parcels will be sent by air parcel post annually. (Draft of a proposed bill appears in appendix 7.)

FOREIGN POSTAL SERVICES

The committee requested the Secretary of State to obtain information concerning the postal services from a number of foreign countries in order to determine whether any foreign postal procedures could be adapted to the United States postal service. (See appendix 8 for correspondence.) This material has been received and is being studied.

RATE-MAKING PROCEDURES

Hearings were held regarding rate-making procedures for the postal service on December 16 and 18, 1947. These hearings developed that—

1. The Post Office Department is without an established rate-making procedure despite the fact that it depends upon rates for \$1,800,000,000 annually in postal revenues.

2. Present postal rates do not reflect the many differences in service. This is due largely to the fact that there is no established procedure for analyzing and recommending comprehensive revisions in postal rates to meet changing needs.

3. There is an established procedure for revising rates for fourth-class mail using the facilities of the Interstate Commerce Commission. This procedure requires initiating action by the Postmaster General when parcel-post rates are not sufficiently high to pay for the cost of handling such mail. The Postmaster General has not taken such action although expenditures for handling parcel post are exceeding revenues at the rate of \$50,000,000 annually. (See appendix 9 for letter to the Attorney General requesting views on existing law.)

4. Most large users of the mails agree there is a need for a fact-finding unit in the Post Office Department to resolve controversial issues in the many technical problems concerned with rates and costs of specific postal services. A bill drafted as a result of subcommittee hearings, H. R. 4953, which would create such a board and provide for an affirm-

ative postal rate recommendation annually to the Congress appears in appendix 10.

POSTAL SAVINGS

In 1947 deposits in the postal-savings account of the Post Office Department reached \$3,396,000,000. This is comparable to deposits in any one of the largest banks in the United States. In analyzing the situation as it relates to postal savings, the committee has determined that there is a need for creating a more flexible postal savings system. The committee finds that—

1. The Postal Savings System is regarded by most depositors as a safe and convenient depository for their savings rather than as an investment. As an investment, United States saving bonds will yield a better return in the long run.

2. The interest rate on postal-savings deposits has remained unchanged since 1910, when the Postal Savings System was established.

3. A reduction in the interest paid on postal savings from the present rate of 2 percent to 1 percent would result in a savings to the Federal Government of approximately \$20,000,000 annually, after taking into consideration the withdrawals resulting from the interest-rate reduction.

4. The present 2-percent rate of interest on postal-savings deposits is more than the interest rate paid by most privately owned savings institutions. While the interest rate on postal savings has remained unchanged, the average rate of interest paid on deposits by mutual savings banks fell by more than one-half, from about 3.9 percent in 1910 to about 1.7 percent in 1946. The average rate paid by commercial banks fell even more, from about 3.7 percent in 1910 to about 1 percent in 1946.

REORGANIZATION OF THE POSTAL SERVICE

The committee is in the process of examining the basic organization of the postal service. It believes that the organization of the Post Office Department does not follow the fundamental requirements of a modern business organization. The committee points to the following phases of the Department's organization which do not meet present-day business standards:

1. Each of the four Assistant Postmasters General operates a field organization.

2. Theoretically, 42,000 postmasters report directly to one official in the Post Office Department in Washington.

3. Each bureau has its own budget and in many instances economies in the service are not effected because the expenditure is from one bureau's budget while the saving is in another.

4. Much of the supervision of the field functions of the Department is conducted by use of reports of the inspection service. This limits the personal contact of the officers responsible for specific field functions.

5. The Post Office Department does not have available unit-cost data or management statistics which may be used to compare the efficiency of specific operations or the relative efficiency of post offices of comparable size. (See appendix 11 for correspondence that such cost data be developed for the information of the committee.)

6. The present gross receipts standard for rating post offices has many shortcomings.

7. No independent Government agency checks the efficiency of the postal service. The General Accounting Office has never made a survey of the postal service until requested by the committee on August 13, 1947.

8. Limiting competition for the position of postmaster to individuals within delivery limits of the respective post offices has made it possible to continue the political factor in the selection of postmasters and prevents

the promotion of postmasters of demonstrated ability from smaller post offices to larger post offices.

9. There is no uniform organization of the postal service in the field. For example, the railway mail service is organized on a regional basis, while the post offices operate within limited local areas.

10. Fifty-one of the larger post offices are designated as central accounting offices. While these offices have the responsibility of keeping all the accounts of post offices within their area, they lack authority to take direct corrective action when accounts are not submitted properly.

MECHANIZATION OF THE POSTAL SERVICE

The problem of mechanization of the postal service concerns both the type of equipment and the manner in which such equipment is utilized. An analysis is being made of the motor-vehicle equipment of the Post Office Department presently in use and on order. A summary of the status of this equipment appears in appendix 12.

The manner in which most of such equipment is utilized is a part of the project assigned to a management engineering firm which is conducting a detailed study of urban mail delivery.

RESEARCH AND DEVELOPMENT

Although the Post Office Department is a business with operating expenditures in excess of \$1,500,000,000 annually, little has been done in the way of research and development to improve and to modernize the operations of the postal service. The following examples may be cited:

(a) The Department does not make maximum use of technical design advancement of the automotive industry when specifications are made for new motortrucks.

(b) The employees' suggestion program of the Department has resulted in only a few suggestions from the employees being considered of sufficient merit for cash awards.

The extent to which the Post Office Department should be authorized to institute a research and development program, the use to be made of existing research and development facilities of the Government and the results which could reasonably be expected if such a program were placed into effect are being studied by a subcommittee.

Engineering studies of mechanical devices used in mail distribution in major foreign countries have been obtained. These will be analyzed to determine their practicability in United States post offices.

RAILWAY MAIL SERVICE

Preliminary studies by the committee show that—

1. Deficiency time (the difference between the individual's daily average hours on duty and the maximum hours of the assignment set by law) can be reduced by improving coordination between post offices, railroads, and the railway mail service.

2. Under rates set by the Interstate Commerce Commission, the Post Office Department pays for storage cars on a round-trip basis. The space deadheaded on the return movement costs \$15,000,000 annually. In many instances these "storage cars" are freight cars. (See appendix 13.)

3. Employees assigned to railroad and airport terminals are under the jurisdiction of the railway mail service, and are rarely given road assignments.

4. The responsibility of the railroads for unloading and loading mail from baggage cars is not strictly observed.

5. In connection with the railway mail pay increase applications of the railroads, a one-time compilation was made of all space utilization. This appears in appendix 13.

¹Statement of the Honorable W. Averell Harriman, Secretary of Commerce, to the President's Air Policy Commission, November 26, 1947.

6. More economical means of mail transport should be explored. The following table is an example of comparative transportation costs for periodicals:

Rate from Philadelphia

[All rates shown are per 100 pounds]

	Freight		Truck		Express		Mail (50 percent advertising)
	Less than carload	Carload	Less than truckload	Truckload	Less than carload	Carload	
New York City rate.....	\$0.78	\$0.22	\$0.60	\$0.22	\$1.50	-----	\$1.50
Transit time.....	11	11	25	25	11	11	11
Washington, D. C., rate.....	\$0.88	\$0.48	\$0.88	\$0.30	\$1.50	-----	\$1.50
Transit time.....	11	11	26	26	11	11	11
Chicago rate.....	\$2.024	\$0.77	\$1.40	\$0.96	\$1.74	\$0.80	\$2.75
Transit time.....	14	13	13	13	12	12	13
San Francisco rate.....	\$4.774	\$1.485	(?)	(?)	\$6.07	\$3.00	\$4.25
Transit time.....	110	19	-----	-----	16	14	17

¹ Days.

² Hours.

³ No service.

7. Terminal employees' record cards contain data as to the amount of mail distributed and sacked. These data could be compiled and the relative efficiency of terminal operations compared.

A recent order by the Interstate Commerce Commission (No. 9200, Railway Mail Pay, Dec. 4, 1947) has increased payments to railroads by \$37,000,000 annually. This emphasizes the need for carefully computing payments for space in the most complete manner possible.

The problem of accounting for space used by the Post Office Department in baggage cars is being explored by the General Accounting Office. It is also examining the possibility of a more complete utilization of unused space in railway baggage cars for Government shipments both by mail and for other than mail. (See letter from committee requesting this study and reply in appendix 1.)

GOVERNMENT SERVICES

A study is being made of the services performed for other Federal establishments by the Post Office Department for which the Department does not receive revenue. (See appendix 14 for summary of cost to the Post Office Department for furnishing custodial and other services to other Government departments.)

A study will be made of the use of penalty mail by Federal departments and agencies. A statement of the use of penalty mail by Government departments and agencies indicates that the old-line Government departments and agencies (other than Department of National Defense) increased their use of penalty mail during the fiscal year 1947 by about 4,000,000 pieces. This penalty mail in 1946 represented, in actual cost to the Post Office Department, \$24,034,005.32. (For a complete report, see appendix 15.) This increase in the use of penalty mail requires a detailed analysis to determine how reductions can be achieved.

A subcommittee held hearings attended by 50 west coast publishers at San Francisco, November 12, 13, and 14, 1947, at which time one of the chief complaints was the excessive use of penalty mail for sending mimeographed press releases to newspapers. Government press releases were submitted to the committee which showed that little thought is given to the local value of such releases and indicated emphasis was on volume rather than on quality or public interest.

Prior to 1933 all post-office building maintenance employees in the field service were under the Treasury Department. In 1933 these employees were transferred to the Post Office Department. At the time of the transfer there were 7,990 such employees, but at the present time there are 19,000.

In some post-office buildings the preponderance of expenditures is for custodial and maintenance services to other Government departments. (See appendix 16 for chart showing cost distribution of space in the

main post-office building at Los Angeles, Calif.)

PERSONNEL UTILIZATION

Eighty percent of the expenditures of the Post Office Department are for personnel. Therefore, the proper utilization of this personnel is of utmost importance.

The Post Office Department is engaged in converting war-service appointments to permanent positions. Employees are now being certified to positions from regularly established civil-service registers. While in most instances these certifications have been made in accordance with civil-service regulations, in some cases the manner in which the competitive examinations were held is open to question. In one large post office, only 5 days were allowed in which to file applications. This was later extended to 8 days, but little publicity was given the 3-day extension. The register was exhausted before all the war-service employees were replaced. The result of this action limited the participation of veterans in the examination, and made available for certification and appointment those persons who barely met the minimum requirements. Such a procedure deprives the Government of the best qualified employees.

The Post Office Department lacks a uniform personnel policy. Each of the Assistant Postmasters General operate directly postal facilities in the field service, and each has his own personnel organization in these field installations. This has resulted in four different personnel policies relating to pay, promotions, and administration.

PROCUREMENT AND CONTRACT PROCEDURES

Based upon preliminary studies, it appears that the following are among those phases of the problem which will be considered by the committee:

1. The extent to which the postal service has delegated its authority to make contracts for material and services to the respective postmasters will be examined.

2. There is duplication between the responsibility administratively assigned to the Fourth Assistant Postmaster General and that given the purchasing agent by law.

The Post Office Department has been requested to provide the committee with all directives relating to contracts and procurement. This material was furnished on January 6. The letter of transmittal is as follows:

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., January 6, 1948.
Hon. EDWARD H. REES,
Chairman, Committee on Post Office and Civil Service,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Further reference is made to my reply of November 12, 1947, to your letter of October 30, 1947, requesting that there be furnished for the information

of the Committee on Post Office and Civil Service copies of all directives issued within the Post Office Department and to postmasters in the field concerning procurement of supplies and contracts for services.

There are submitted herewith the directives requested. For your information the First Assistant Postmaster General issues directives in connection with telephone contracts and service, contract vehicle service, contract stations and branches, and miscellaneous services and rentals.

The Second Assistant Postmaster General issues directives pertinent to international postal transport boat service, surface postal transport printing, leasing of quarters for terminals, special contracts, star-route service, mail messenger service, and the Alaska star-route and power-boat service.

The Third Assistant Postmaster General issues no general directives concerning the procurement of supplies and contracts for services.

The Fourth Assistant Postmaster General issues directives and instructions concerning the purchase of fuel for use in leased and rented post-office quarters; local purchases of gasoline, motor vehicle parts, office machines, letter boxes, clocks, and ice. He also issues directives concerning maintenance and operation of vehicles in the motor vehicle service and all contracts related thereto; the procurement and drayage of coal and fuel oil in Federal buildings; telephone and switchboard service; furniture, carpets, and safes; snow and ice removal; window-cleaning services; local purchases of miscellaneous supplies and services, and public-utility services. A copy of the booklet of instructions to postmasters for the operation of public buildings with marked sections and pages is herewith.

The Chief Clerk and Director of Personnel uses the contracts as made by the Federal Bureau of Supply, Treasury Department, for contract services for the Department. Therefore, his office is governed by the directives issued by the Treasury Department.

The chief inspector issues no general directives with respect to the procurement of supplies and contracts for services. Two copies of Form 512, Notice of Reward, are submitted because the notice commits the Postmaster General to pay for services rendered if the conditions prescribed therein are met.

The purchasing agent issues to postmasters in the field routine instructions, samples of which are enclosed.

The solicitor makes no contracts for services and issues only such directives as are amendments to the Postal Laws and Regulations, based on enactments of Congress or suggestions from bureaus and officers of the Department. Copies of such amendments are enclosed. The regulations concerning contracts are embodied in chapter 7, title I, and in sections 227, 244, 250, 480, 575, 706, 1017, 1036 to 1044, 1056, 1376, 1726, 1751, 1827, and 2030 of the Postal Laws and Regulations of 1940.

The comptroller issues no instructions or directives concerning other than the preparation of vouchers and the claiming of credit for payments under contracts.

Officers of the Department will be glad to explain to your committee any features of the directives that you may desire.

Sincerely yours,

J. M. DONALDSON,
Postmaster General.

EXTENSION AND IMPROVEMENT OF THE POSTAL SERVICE

A subcommittee has been appointed to explore means of increasing the volume of mail and postal activities which most nearly pay their own way.

Contract stations as distinguished from substations have proved profitable to the Post Office Department and their use should be

extended. The number of contract stations has been reduced considerably since 1940. The Post Office Department has testified that in 1945 contract stations provided \$46,000,000 in revenue and cost only \$2,242,000.

The committee believes that more extensive use of the mails should be made for parcels shipped by the Government in excess of 4 pounds. The penalty mailing privilege given to Government departments extends only to parcels weighing less than 4 pounds. In cases of parcels weighing more than 4 pounds the Government departments have turned to other transportation service.

Extending the use of metered mail and stamp-vending and other automatic machines will result in a more economical operation of the postal service.

Means and methods for increasing percentage of zoned mail should be developed. Tests show that zoned mail for delivery in cities where zones have been established constitutes approximately 40 percent of first-class mail, 45 percent of second-class mail, and 45 percent of third-class mail, and that the cost of separating nonzoned mail is approximately 30 percent greater than separating zoned mail.

Means will be explored for increasing postal revenues by making additional lock boxes available to patrons.

SURVEYS BY GENERAL ACCOUNTING OFFICE

Two General Accounting Office units are making detailed surveys of two of the largest post offices. The letter of the chairman of the committee requesting such surveys and indicating their scope, together with the reply of the Comptroller General, are as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
Washington, D. C., August 13, 1947.

HON. LINDSAY C. WARREN,
Comptroller General of the United States,
General Accounting Office Building,
Washington, D. C.

DEAR SIR: Investigation by the House Committee on Post Office and Civil Service has revealed that the General Accounting Office does not investigate the post offices in the United States except upon specific complaint or as a result of information which would lead to uncovering evidence of misuse of Federal funds.

It is requested that the Investigations Division of the General Accounting Office conduct a complete investigation of the 17 largest post offices in the United States and report its findings to the House Post Office and Civil Service Committee by December 1, 1947. It is requested that reports of investigations furnished the committee contain information relating to the expenditure of Federal funds, collection of postal receipts, accounting procedures, unauthorized use of Post Office Department facilities, and all other matters which come under the jurisdiction of the General Accounting Office for investigation with respect to the Post Office Department's handling of Federal funds.

Also, it is requested that the committee be furnished, as soon as possible, the decision of the Comptroller General with respect to whether the funds of the Chicago Post Office Canteen are Federal funds and whether the profits resulting from the operation of such canteen are funds which belong to the Federal Government.

Your cooperation in these matters will be greatly appreciated.

Sincerely yours,

EDWARD H. REES,
Chairman.

GENERAL ACCOUNTING OFFICE,
Washington, D. C., August 22, 1947.
HON. EDWARD H. REES,
Chairman, Committee on Post Office
and Civil Service, House of Representatives.

MY DEAR MR. CHAIRMAN: I have your letter of August 13, 1947, requesting that the In-

vestigations Division of the General Accounting Office conduct an investigation of certain post offices and report its findings to your committee, and that the committee be furnished my decision with respect to the status of the funds of the Chicago Post Office Canteen.

Following receipt of your letter yesterday, a conference was held in my office this morning attended by Mr. Moore and Mr. Belen of the staff of your committee and by members of my staff. It was brought out at such conference that it would be impossible to fulfill completely the request in your letter, in view of the stringent personnel reductions which this Office is undergoing, and of the large degree of reliance heretofore placed on administrative inspections of post offices, which would necessitate the building up of an additional force in the General Accounting Office to do the work requested. However, as always, I am desirous of lending your committee as much assistance as possible commensurate with the size of our staff and the condition of our work.

Accordingly, it has been decided with the concurrence of your representatives that an investigation of two post offices, the locations of which are to be agreed upon with members of your staff, will be conducted and reports thereof will be furnished to your committee as soon as practicable.

With reference to the funds of the Chicago Post Office Canteen there has been no decision as to whether such funds are Federal funds and whether the profits resulting from the operations of such canteen belong to the Federal Government. The operations of this canteen are within the scope of a study now being made in this Office with respect to concession activities conducted on Federal property. When this study is completed it is my present plan to report the results thereof to the Congress for its consideration.

There has also been received from Mr. Moore a letter of August 13 requesting a list of the defalcations by postmasters during the past 10 years with certain descriptive material. I will be glad to have this information furnished to the extent that it is available in the records of the General Accounting Office.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

MANAGEMENT ENGINEERING SURVEYS

One of the major problems which has developed and which requires on-the-spot analysis is that of city delivery service. It has been pointed out to the committee that there has been little change in city delivery service methods in over 100 years. However, there have been many advances in transportation facilities and methods used by commercial delivery services, and which are adaptable to the postal service.

The extent to which the delivery service may be improved is being explored by the Trundle Engineering Co. The results of this survey will present solutions to a number of general over-all postal problems such as special-delivery service, utilization of truck transport, motor-vehicle service, and personnel utilization.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 30 minutes.

A FRANK ANSWER TO A RANK MISSTATEMENT ABOUT THE HOLY LAND

Mr. MULTER. Mr. Speaker, under some circumstances it may be just as well to permit erroneous statements to get lost in oblivion by the simple expedient of ignoring them. However, when the erroneous statements are of such a nature as to constitute a slander, and when, as now, they may be quoted as a part of

the CONGRESSIONAL RECORD, thus giving a semblance of authentication, they must be corrected. The motives that brought about the insertion of these remarks in the RECORD are quite immaterial. Attributing to the gentleman from Mississippi [Mr. RANKIN] only the most patriotic of motives coupled with a sincere belief in the truth of what he read to this House, nevertheless the facts are that the contents of the letter he has read are vicious; they are malicious; they are untrue; they are libelous. The prefatory statement of the gentleman from Mississippi [Mr. RANKIN] intimating that all Jews are Communists and that all Zionists are Communists is such utter nonsense that it needs no comment from me. Was the Jew a Communist who gave to New Orleans the hospital which gave such great comfort to the late Senator Bilbo in his dying days? Is my own boy who served overseas in World War II a Communist? Are the millions of Jews who have fought for freedom of all peoples throughout the world all Communists? But I am digressing. I want to talk to the House about the letter that one Benjamin H. Freedman wrote.

The gentleman from Mississippi [Mr. RANKIN] says Benjamin H. Freedman is, and I quote from the RECORD, "a great American Jew." I take issue with that statement only to demonstrate to you the invidious intent that must have prompted the authorship of that letter. I say that Freedman is neither great nor American nor a Jew.

I was born and bred in New York City. I have been associated with the legal profession there for almost 30 years. I know of nothing, and have been able to find out nothing that Freedman has ever done that entitles him to be called great. As to his being an American, I say that as an immigrant received by this country and permitted by this country to enjoy freedom and liberty equally with its citizens, he has no right to sow dissension among them. No one has the right to call himself an American who sets class against class, religion against religion, or race against race. Hatemongering has no place in America. The real Americans of our country want peace and neighborliness between individuals, between states, and between nations.

Whatever Freedman may be is immaterial, except insofar as he may pretend to speak as something that he is not. I feel compelled to refer to his so-called Jewishness only because he has held himself out as a Jew and pretends to speak as a Jew and for Jews.

I have been very active in Jewish affairs all my life, both in local and in national circles. I have made inquiries about this pretender. I have found no one who has ever known Freedman as a Jew. I have found no Jewish institution that he has ever been or is now connected with. I have here a photostatic copy of his marriage license and certificate. It shows that he was married civilly by a local justice of our municipal court. He has never, so far as the record shows, been married in a religious ceremony. That is quite immaterial except when one professes to be a Jew, he should be ready to establish that fact by showing that he subscribes to the Jewish

tenets, and that he subscribes to and practices the beliefs and the preachments of Judaism. None of these things does Freedman do.

Accident of birth has never made anyone a Jew or a Christian. It is what he does and how he lives that measures him.

No one will pretend that when Earl Browder was speaking as leader of the Communist Party, he was talking for Christian ministers, a ministry that he deserted for communism.

No one has the right to claim that all Jews or all Zionists are Communists.

I respect the opinion of those Jews, few in number though they may be, who disagree with the millions of Jews who, like myself, believe in Zionism. We find no division in patriotic allegiance to the United States in that belief. We are no less patriotic in that belief than when we sustain the right of free peoples everywhere to resist aggression.

Possibly I have no right to find fault with Freedman for his allying himself and his money on the side of the Arabs and against the Jews. That is his right.

What is it, then, that this nonentity has said that disturbs me so much? I quote from his letter which appears on page 204 of the CONGRESSIONAL RECORD of January 15, 1948. Referring to Palestine, he says:

The reason it [Palestine] is called the Holy Land today is because Jesus of Nazareth lived and died there. To Christians He [Jesus] is the Son of God and Saviour. To Mohammedans he is a great prophet. To official Jewry he is an executed blasphemer.

That last sentence is what I take issue with.

I want now to destroy that malicious slander, which I believe was made by him with full knowledge of its entire falsity.

First, let me make plain that there is no such thing as an official Jewry. There are, and have been for thousands of years, Jews in every part of the world—native Chinese, native East Indians, Europeans, Asiatics, Africans, and Americans—who have subscribed to and followed the tenets of the Jewish religion. Never since the dispersion of the Jews from the Holy Land, never since the destruction of the second temple, has there been a united Jewry or an official Jewry.

Like Christians, we Jews have our religious differences. We have our Orthodox, our Conservative, and our Reform Jews. We have no world-wide chief rabbi; we have no national chief rabbi. Even the Jewish laity is not organized into one single unit. Obviously, no one has the right to speak for official Jewry—least of all this renegade Freedman.

Now, let us see if there is any substance to his nefarious charge.

Has any Jew, official or unofficial, anywhere or at any time said anything disparaging about Jesus? I could call before this House outstanding clergymen and laymen, whose greatness, whose Americanism, and whose Jewishness could not be questioned, who would unanimously and vigorously deny Freedman's venomous insult. Instead of doing that, let me quote, from authoritative sources, the answer to this calumny—answers written by persons who never heard of

Freedman; answers written without any idea that their words would be quoted here.

Let me first quote this statement from a work written by Milton Steinberg entitled "Basic Judaism." There we find this:

To Jews, Jesus appears as an extraordinarily beautiful and noble spirit, aglow with love and pity for men, especially for the unfortunate and lost, deep in piety, of keen insight into human nature, endowed with a brilliant gift of parable and epigram.

That is the most recent word on the subject.

Let me quote another which was written in 1920 by a renowned rabbi, H. G. Enelow, entitled "A Jewish View of Jesus." There we find this:

Of course, it must be stated that there is no official attitude of modern Jews to Jesus. Neither the Jewish people nor any considerable part of it has made any formal declaration on the subject.

He concludes his treatise as follows:

The love He has inspired, the solace He has given, the good He has engendered, the hope and joy He has kindled—all that is unequaled in human history. Among the great and the good that the human race has produced, none has even approached Jesus in universality of appeal and sway. He has become the most fascinating figure in history. In Him is combined what is best and most mysterious and most enchanting in Israel—the eternal people whose child He was. The Jew cannot help glorying in what Jesus thus has meant to the world; nor can he help hoping that Jesus may yet serve as a bond of union between Jew and Christian, once His teaching is better known and the bane of misunderstanding at last is removed from His words and His ideal.

I suggest that the gentleman from Mississippi [Mr. RANKIN] move to expunge the offending document from the CONGRESSIONAL RECORD.

As to those who agree with the sentiments of Freedman, I give them the last words uttered on earth by Jesus:

Father, forgive them for they know not what they do.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the Appendix of the RECORD and include therein a bill she introduced today together with a brief description thereof.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FOOTE, for today, on account of illness.

To Mr. CHIPERFIELD (at the request of Mr. JOHNSON of California), indefinitely, on account of illness.

ENROLLED BILL SIGNED

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3111. An act for the relief of Louis H. Deaver.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, January 22, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1231. A letter from the Secretary of the Interior, transmitting a report and financial statement of the Bonneville Administrator covering the transmission and sale of electric energy for the fiscal year ended June 30, 1947; to the Committee on Public Works.

1232. A letter from the Archivist of the United States, transmitting a report on records disposed under the provisions of section 7 of the act approved July 7, 1943, as amended July 6, 1945 (57 Stat. 382; 59 Stat. 434); to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. Seventh intermediate report concerning an investigation of the disposition of a steam power-generating plant at Oklahoma Ordnance Works, near Chouteau, Okla.; without amendment (Rept. No. 1250). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5063. A bill to provide for assistance by the Federal Government in the repair of damage caused by erosion by waves and currents to the shores of the United States and in the prevention of future damage to such shores; to the Committee on Public Works.

By Mr. KEATING:

H. R. 5064. A bill to increase the personal exemption, reduce income taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. MITCHELL:

H. R. 5065. A bill to amend section 1700 (a) (1) of the Internal Revenue Code so as to exempt hospitalized servicemen and veterans from the admissions tax when admitted free; to the Committee on Ways and Means.

By Mr. NODAR:

H. R. 5066. A bill to provide for the issuance of a special postage stamp in honor of the war dead of all wars in which the United States has participated; to the Committee on Post Office and Civil Service.

By Mrs. NORTON:

H. R. 5067. A bill to provide for the bonding of Federal officials and employees; to the Committee on Expenditures in the Executive Departments.

By Mr. POAGE:

H. R. 5068. A bill for the retirement of the public debt; to the Committee on Appropriations.

By Mr. SASSCER:

H. R. 5069. A bill for the relief of the State of Maryland; to the Committee on the Judiciary.

By Mr. STIGLER:

H. R. 5070. A bill to authorize an appropriation in the amount of \$500,000 for the expansion of hospital facilities at the United

States veterans hospital at Muskogee, Okla.; to the Committee on Veterans' Affairs.

By Mr. WELCH:

H. R. 5071. A bill to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma; to the Committee on Public Lands.

By Mr. WHITTEN:

H. R. 5072. A bill to provide for the application of 10 percent of the annual revenue of the United States on the national debt; to the Committee on Ways and Means.

By Mr. REED of Illinois:

H. R. 5073. A bill to amend the acts providing for the parole of United States prisoners; to the Committee on the Judiciary.

H. R. 5074. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. ALLEN of Louisiana:

H. R. 5075. A bill to provide additional compensation for employees of the postal service; to the Committee on Post Office and Civil Service.

By Mr. BEALL:

H. R. 5076. A bill to authorize the purchase of a new post-office site at Westport, Md.; to the Committee on Public Works.

H. R. 5077. A bill to authorize the purchase of a new post-office site at Woodsboro, Md.; to the Committee on Public Works.

H. R. 5078. A bill to authorize the purchase of a new post-office site at Lonaconing, Md.; to the Committee on Public Works.

H. R. 5079. A bill to authorize the purchase of a new post-office site at Kensington, Md.; to the Committee on Public Works.

H. R. 5080. A bill to authorize the purchase of a new post-office site at Thurmont, Md.; to the Committee on Public Works.

H. R. 5081. A bill to authorize the purchase of a new post-office site at Williamsport, Md.; to the Committee on Public Works.

H. R. 5082. A bill to authorize the purchase of a new post-office site at Emmitsburg, Md.; to the Committee on Public Works.

H. R. 5083. A bill to authorize the purchase of a new post-office site at Brunswick, Md.; to the Committee on Public Works.

H. R. 5084. A bill to authorize the purchase of a new post-office site at Gaithersburg, Md.; to the Committee on Public Works.

H. R. 5085. A bill to authorize the purchase of a new post-office site at Hancock, Md.; to the Committee on Public Works.

By Mr. TOWE:

H. R. 5086. A bill to equalize the terms of service required of cadets and midshipmen, and for other purposes; to the Committee on Armed Services.

By Mr. KEEFE:

H. R. 5087. A bill to provide for research and control relating to diseases of the heart and circulation; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS of Massachusetts:

H. R. 5088. A bill to amend the National Service Life Insurance Act to protect the insurance against lapse by crediting to the insured dividends from the excess of premiums over death costs chargeable thereto and by automatic payment of premiums from the accumulated credits; to the Committee on Veterans' Affairs.

By Mr. HAGEN:

H. R. 5089. A bill to provide for relief to needy Indians of Minnesota; to the Committee on Public Lands.

By Mr. REES:

H. R. 5090. A bill to provide for the extension of the air-mail postal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. R. 5091. A bill to increase the rates of service-connected death compensation payable to certain widows, children, and depend-

ent parents of persons who served in the active military or naval service, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DAVIS of Georgia:

H. J. Res. 304. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the birth of Joel Chandler Harris, author of the Uncle Remus stories; to the Committee on Post Office and Civil Service.

By Mr. HARLESS of Arizona:

H. J. Res. 305. Joint resolution authorizing the issuance of a special series of stamps commemorative of the fiftieth anniversary of the organization of the Rough Riders (First Volunteer United States Cavalry) of the Spanish-American War; to the Committee on Post Office and Civil Service.

By Mr. LARCADE:

H. Res. 445. Resolution making H. R. 4278, a bill to enact the National Security Training Act of 1947, a special order of business; to the Committee on Rules.

By Mr. LANE:

H. Res. 446. Resolution authorizing the Committee on Interstate and Foreign Commerce to investigate aircraft accident at Logan International Airport, Boston, January 21, 1948; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York:

H. R. 5092. A bill for the relief of Hans Oscar Hansen; to the Committee on the Judiciary.

By Mr. GWINN of New York:

H. R. 5093. A bill to record the lawful admission of Ernest J. Hoffmann to the United States for permanent residence; to the Committee on the Judiciary.

By Mr. PFEIFER:

H. R. 5094. A bill for the relief of Gen. Wincenty Kowalski; to the Committee on the Judiciary.

By Mr. POTTER:

H. R. 5095. A bill for the relief of Miss Sirkka Ailri Saarelainen; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 5096. A bill for the relief of Primitivo Urcelay-Ruiz; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1184. By Mr. ANDREWS of New York: Resolution adopted January 18, 1948, by Lodge No. 3077 of the International Workers Order, repudiating false accusations and allegations of the Attorney General and wholeheartedly endorsing and supporting general council of the International Workers Order in all legal and other actions aimed at protecting the good name, integrity, and security of their organization as well as the rescinding of the Attorney General's list; to the Committee on Un-American Activities.

1185. By Mr. HALLECK: Petition of citizens of La Fayette, Ind., opposing compulsory military training and expressing accord with House Resolution 73; to the Committee on Armed Services.

1186. Also, petition of citizens of Kosciusko County, Ind., favoring the establishment of a system of universal military training; to the Committee on Armed Services.

1187. By Mr. JENKINS of Ohio: Petition of Emmett A. Classing and a large number of other residents of Lawrence County, Ohio, in support of legislation establishing a sys-

tem of universal military training; to the Committee on Armed Services.

1188. Also, petition of K. L. Cleland and other residents of Athens County, Ohio, in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

1189. Also, petition of Mrs. Florence E. Pendergrass and other residents of Chauncey, Ohio, expressing disapproval of H. R. 4278, a bill providing for compulsory military training; to the Committee on Armed Services.

1190. Also, petition of George E. Burkett, post adjutant, and members of Drew Webster Post, No. 39, American Legion, Pomeroy, Ohio, in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

1191. Also, petition of Frank Harvey and other residents of Athens County, Ohio, in support of legislation establishing a system of universal training; to the Committee on Armed Services.

1192. Also, petition of H. M. Bennett and a large number of residents of Athens County, Ohio, in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

1193. Also, petition of Mrs. Thora Olson and a large number of residents of Athens County, Ohio, in support of legislation to establish a system of universal military training; to the Committee on Armed Services.

1194. Also, petition signed by Mrs. C. J. Allstock and 230 residents of Athens County, Ohio, in support of legislation to establish a system of universal military training; to the Committee on Armed Services.

1195. By Mr. LEWIS: Petition of 131 residents of Steubenville, Ohio, and vicinity, circulated by the Argonne Post, No. 33, of the American Legion, in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

1196. Also, petition of 99 residents of Adena, Ohio, and vicinity, circulated by American Legion Post, No. 525, in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

1197. By the SPEAKER: Petition of Townsend Recovery Plan, Tacoma, Wash., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 22, 1948

The House met at 12 o'clock noon.

Rev. Dominic Brady, of the Order of Preachers, Province of St. Albert the Great, River Forest, Ill., offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen.

Our Father, who art in Heaven, hallowed be Thy name; Thy kingdom come; Thy will be done on earth as it is in heaven. O God, unfailing support of those who seek it of Thee, source of freedom and peace to all who ask it of Thee, life of those who believe in Thee, we call upon Thee in behalf of these Thy servants. We pray Thee, O Lord of power, wisdom, and justice, through whom all authority is rightly administered, and just laws are enacted, to inspire with Thy spirit of counsel, fortitude, and love the lawmakers of our Nation. Guide and direct their deliberations so that the laws they propose for